CONTRACT BETWEEN

ADMINISTRACIÓN DE SEGUROS DE SALUD DE PUERTO RICO (ASES)

and

MMM HEALTHCARE, LLC

for

PROVISION OF MEDICAID WRAPAROUND COVERAGE FOR THE GOVERNMENT HEALTH INSURANCE MEDICARE AND MEDICAID DUAL-ELIGIBLE POPULATION

Contract No.: 2021-000002

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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 MMM Healthcare, LLC ("the Contractor"), a managed care organization duly organized and authorized to do business under the laws of Puerto Rico, with employer identification number 66-0588600.

WHEREAS, pursuant to Title XIX of the Federal Social Security Act, codified as 42 U.S.C. Section 1396 et seq. (the "Social Security Act"), and Law 81 of March 14, 1912 (The Puerto Rico Health Department Act) and Law 72 of September 7, 1993 as amended (The Puerto Rico Health Insurance Administration Act), a comprehensive program of Medical Assistance for needy persons has been established in Puerto Rico, known as the Government Health Plan ("GHP" or "Vital" Program);

WHEREAS, the Government of Puerto Rico, in order to assist the Medicare and Medicaid dual-eligible population ("Dual-Eligibles") with the cost associated with prescription drug benefits, originally created the Medicare Platino Program, and where Medicare Platino now offers certain Medicaid wraparound services furnished by a Medicare Advantage Organization ("MAO") to Medicare and Medicaid Dual-Eligibles, as defined in this Contract, when such care and services are furnished in accordance with an agreement approved by ASES and that meets the requirements of State and federal law and regulations;

WHEREAS, the Contractor is has been certified under Chapter 19 of the Puerto Rico Insurance Code and has been determined to be an eligible MAO by the Centers for Medicare and Medicaid Services ("CMS") under 42 CFR 422.501; and has entered into a contract with CMS pursuant to Sections 1851 through 1859 of the Social Security Act to operate a Medicare Advantage plan, in compliance with 42 CFR 422.502 and other applicable federal statutes, regulations and policies;

WHEREAS, the Contractor has applied to participate in the Medicare Platino Program, and ASES has determined that the Contractor meets the qualification criteria established for participation; and

WHEREAS, ASES and the Contractor (each individually, a "Party" and collectively, the "Parties") have executed previous agreements for the Medicare Platino Program, but where this Contract and all future amendments supersedes any prior agreements and amendments between the Parties, under the terms and conditions contained herein.

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, the Parties hereby agree as follows:

ARTICLE 1 DEFINITIONS

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

Abuse: Provider practices that are inconsistent with sound fiscal, business, or medical practices, and that result in unnecessary costs to the Medicare Platino 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 Medicare Platino Program.

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

Adverse Benefit Determination: The denial or limited authorization of a Service Authorization Request, 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 service (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.

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 and Complaint Process.

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.

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.

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

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.

ASES: Administración de Seguros de Salud de Puerto Rico (the Puerto Rico Health Insurance Administration), the entity in the Government of Puerto Rico responsible for oversight and administration of the Vital and Medicare Platino Programs, 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 1) necessary or arising out of this Contract, except for the Contractor's Proprietary Information.

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).

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 and substance use disorders ("SUDs").

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.

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 (7) days of the week.

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

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").

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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.

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 18 of this Contract.

Covered Services: Those Medically Necessary health care services (listed in Article 5 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 of Puerto Rico, 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.

Deliverable: A document, manual, or report submitted to ASES/ADMINISTRACIÓN DE SEGUROS DE SALUD or the Contractor to exhibit that the Contractor has fulfilled the requirements of this Contract.

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

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

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

Effective Date of Disenrollment: The date, as defined in Section 3.3.3 of this Contract, on which an Enrollee ceases to be covered under the Contractor's Medicare Platino plan.

Effective Date of Enrollment: The date, as defined in Section 3.2.3 of this Contract, on which an Eligible Person becomes and Enrollee and acquires Coverage under the Contractor's Medicare Platino plan.

Eligible Person: A person eligible to enroll in the Medicare Platino Program, as provided in Section 3.1 of this Contract, by virtue of meeting all other conditions for Enrollment in the Medicare Platino Program as set forth in Section 3.1.2 of this Contract.

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 5.3) furnished by a qualified Provider 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 face-to-face setting on the dates that the services were delivered, 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 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 3.1.2 of this Contract.

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

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.

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.

The Government Health Plan (or "the GHP"): The government health services program (the "Vital" program, formerly referred to as "La Reforma" or "MI Salud") offered by the Government of Puerto Rico, 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, Service Authorization Requests, and Appeals at the Contractor level, as well as Access to the Administrative Law Hearing process.

Health Care Provider or 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's assistants, 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 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.

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

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

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.

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 Medicare Platino 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 and state program of medical assistance established by Title XIX of the Social Security Act.

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 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 or Medically Necessary Services: The health care services that are necessary to prevent, diagnose, manage or treat conditions in the person that cause acute suffering, endanger life, result in illness or infirmity, interfere with such person's capacity for normal activity, the ability to achieve age appropriate growth and development and the ability to attain, maintain, or regain functional capacity, or threaten some significant handicap.

Medicare: The Federal program of medical assistance for persons over age sixty-five (65) and 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.

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

Medicare Part C or Medicare Advantage: 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 program that covers outpatient prescription drugs.

Medicare Platino: A program administered by ASES for Dual Eligible Beneficiaries, in which MAOs or other insurers under contract with ASES function as 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.

Medicare Platino Plan: The Medicaid wraparound services and benefits offered by the Contractor to Dual Eligible Enrollees as described in Appendix C-2 of this Contract.

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

Network Provider: A Provider that has a Provider Contract with the Contractor under the respective Medicare Platino Plan.

Out-of-Network Provider: A Provider that does not have a Provider Contract with the Contractor under the respective Medicare Platino Plan.

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 20.2.

Patient's Bill of Rights Act: Law 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.

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.

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

Plan: The Contractor's Managed Care Plan, offering services to Enrollees under the Medicare Platino Program.

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 Medicare Platino, but who has not yet enrolled with the Contractor.

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 ("PCP"): 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. A PCP may be a general practitioner, family physician, internal medicine physician, obstetrician/gynecologist, or pediatrician.

Prior Authorization: A type of Service Authorization Request that is submitted before a Covered Service provided in order to determine if such Service will be covered or reimbursed by Contractor. Also known as "pre-certification."

Provider: Any physician, hospital, facility, 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 Contract: Any written contract between the Contractor and a Provider 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.

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.

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

Runoff Period: the period of time as explained in Section 30.1.5.

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.

Service Authorization Request: A request submitted by Enrollee or on the Enrollee's behalf to approve coverage or reimbursement by the Contractor for a Covered Service, where such Covered Service is subject to Prior Authorization or other Utilization Management requirement.

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.

Subcontract: Any written contract between the Contractor and a 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.

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.

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.

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

ARTICLE 2 SERVICE AREA

2.1 Service Area

2.1.1 The Service Area described in Appendix A of this Contract, which is hereby made a part of this Contract as if set forth fully herein, is the specific geographic area within which Eligible Persons shall enroll in the Contractor's Medicare Platino Plan.

2.1.2 Pursuant to 42 CFR 438.602(i), the Contractor cannot be located outside of the United States in order to enter into this Contract. Further, no Claims paid by the Contractor to a Provider, a Subcontractor, or a financial institution located outside of the United States shall be considered in the development of actuarially sound Capitation rates.

ARTICLE 3 ELIGIBILITY AND ENROLLMENT

3.1 Eligibility

3.1.1 The Government has sole authority to determine eligibility for the GHP and the Medicare Platino Program, as provided in Federal law and Puerto Rico's State Plan.

3.1.2 Eligible Persons must meet the following criteria in order to be eligible to enroll in the Contractor's Medicare Platino Program:

3.1.2.1 Must have evidence of coverage under Medicare Part A and B;

3.1.2.2 Must have GHP Eligibility; and

3.1.2.3 Must reside in the Service Area as defined in Appendix A of this Contract;

3.1.3 An individual who meets any of the following criteria is not eligible to enroll in the Contractor's Medicare Platino Program:

3.1.3.1 The individual is a resident of a long-term care nursing facility or intermediate care facility for the intellectually disabled;

3.1.3.2 The individual is a resident of a Residential Health Care Facility ("RHCF") at the time of Enrollment, whether the individual's stay in a RHCF is classified as permanent upon entry into the RHCF or is classified as permanent at a time subsequent to entry;

3.1.3.3 The individual is admitted to a hospice program prior to time of Enrollment. However, if an Enrollee enters a hospice program while enrolled in the Contractor's Medicare Platino Plan, he or she may remain enrolled in the Contractor's Medicare Platino Plan to maintain continuity of care with his or her PCP; or

3.1.3.4 The individual is incarcerated.

3.1.4 Change in Eligibility Status. The Contractor must report to the ASES any change in status of its Enrollees which may impact the Enrollee's eligibility for Medicare or Medicaid, within five (5) business days of such information becoming known to the Contractor. This information includes, but is not limited to, change of address, incarceration, permanent placement in a nursing home or other residential institution or program rendering the individual ineligible for enrollment in Medicare Platino, death, and disenrollment from the Contractor's Medicare Platino Plan.

3.1.4.1 To the extent practicable, ASES will follow-up with Enrollees when the Contractor provides documentation of any change in status which may affect the Enrollee's Medicaid and/or Medicare Platino Plan eligibility and enrollment.

3.2 Enrollment

3.2.1 Participation in the Medicare Platino Program and enrollment in the Contractor's Medicare Platino Plan shall be voluntary for all Eligible Persons. However, the Eligible Person must be enrolled in Medicare Part A and Part B and must enroll in GHP and the Contractor's Medicare Platino Plan in order to participate in the Medicare Platino Program.

3.2.2 The Contractor shall coordinate with ASES or the Office of Medical Assistance Program as necessary for all Enrollment and Disenrollment functions as set forth in Appendix F.

3.2.2.1 The Contractor guarantees the maintenance, functionality, and reliability of all systems necessary for Enrollment and Disenrollment. The Contractor shall also provide Potential Enrollees with specific Information allowing for prompt, voluntary, and reliable Enrollment.

3.2.2.2 The Contractor may use the Seamless Conversion Enrollment Option for Newly Medicare Eligible Individuals as set forth in

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Chapter 2 of the Medicare Managed Care Manual. This option shall be available for individuals newly eligible for Medicare and must be performed only within the Contractor's Service Areas.

3.2.2.3 Medicare Advantage Enrollees who will become eligible to enroll in Medicaid coverage may elect to transfer to the Contractor's Medicare Platino Plan or to enroll in another Medicare Platino Plan if offered in the Enrollee's Service Area. A new Enrollment must be processed by ASES and the Contractors to transfer the Medicare Advantage Enrollee to the Contractor's Medicare Platino Plan. To the extent possible, such enrollments shall be made effective the first (1st) day of the month that the Enrollee's Medicaid coverage is effective.

3.2.2.4 ASES or the Office of Medicaid Assistance Program may modify the guidance set forth in Appendix F at any time. Such modifications shall be effective and made part of this Contract without further action by the Parties upon sixty (60) days written notice of the modification to the Contractor.

3.2.3 Effective Date of Enrollment

3.2.3.1 An Enrollee's Effective Date of Enrollment shall be the first (1st) day of the first (1st) month during which the Enrollee is enrolled in the Contractor's Medicare Platino Plan and the first (1st) day of the first (1st) month during which Enrollee's name appears on the Prepaid Premium Plan Roster.

3.2.3.1.1 The monthly Prepaid Premium Plan Roster generated by ASES shall serve as the official list of Medicare Platino Program Enrollees for the purposes of MMIS Capitation billing and payment, subject to the ongoing eligibility of the Enrollees as of the first (1st) day of the enrollment month. Modifications to the first (1st) Roster may be made electronically or in writing by ASES prior to the end of the month in which the Roster is generated.

3.2.3.1.2 Contractor must have the ability to receive the Prepaid Premium Plan Roster from ASES electronically. If ASES notifies Contractor in writing or electronically of changes in the first (1st) Roster and provides supporting information as necessary prior to the effective date of the Roster, the Contractor will accept that notification in the same manner as the Roster.

3.2.3.1.3 The Office of Medicaid Assistance Program shall make data on eligibility determinations available to the Contractor and ASES to resolve discrepancies that may arise between the Prepaid Premium Plan Roster and the Contractor's enrollment files in accordance with the provisions in Appendix F and as set forth in Section 3.2.2.

3.2.3.2 The notice of Enrollment that the Contractor issues will clearly state the Effective Date of Enrollment. The notice of Enrollment will explain that the Enrollee is entitled to Covered Services allowed under the Contractor's Medicare Platino Plan. The notice will inform the Enrollee of his or her limited right to disenroll, per Section 3.3 of this Contract. The notice of Enrollment shall inform the Enrollee that exercising the right to disenroll from the Medicare Platino Plan only means losing access to services under Medicare Platino.

3.2.3.2.1 All Enrollees must be notified at least annually of their disenrollment rights as set forth in Section 3.3 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.

3.2.3.3 If an Enrollee's Enrollment in the Contractor's Medicare Platino Plan is rejected by CMS, the Contractor must notify the local Medicare Platino Program within five (5) Business Days of learning of CMS's rejection of the Enrollment. In such instances, ASES shall delete the Enrollee's Enrollment in the Contractor's Medicare Platino Plan retroactive to the Effective Date of Enrollment.

3.2.4 Automatic Re-Enrollment. An Enrollee who is disenrolled from the Contractor's Medicare Platino Plan due to loss of Medicaid eligibility and who regains that eligibility within six (6) months will be automatically re-enrolled by the Contractor in the Contractor's Medicare Platino Plan.

3.2.5 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.

3.3 Disenrollment

3.3.1 The Contractor shall coordinate with ASES or the Office of Medical Assistance Program as necessary for all Disenrollment functions as set forth in Section 3.2.2 above and in Appendix F.

3.3.2 Disenrollment occurs only as determined by ASES. Disenrollment will be effected by ASES, and ASES will issue notification to the Contractor through the Prepaid Premium Plan Roster, along with any changes sent by ASES to the Contractor in writing or electronically.

3.3.2.1 Disenrollment decisions and processing are the responsibility of 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 ten (10) Business Days of a final Disenrollment decision, as provided in Section 3.3.2.2.

3.3.2.2 Each notice of Disenrollment shall include information concerning:

3.3.2.2.1 The Effective Date of Disenrollment;

3.3.2.2.2 The reason for the Disenrollment;

3.3.2.2.3 The Enrollee's Appeal rights, including the availability of the Grievance and Appeal System and of ASES's Administrative Law Hearing process, as provided by Act 72 of September 7, 1993;

3.3.2.2.4 The right to re-enroll in the Medicare Platino Program upon receiving a Recertification from ASES or its representative, if applicable; and

3.3.2.2.5 Disenrollment shall occur according to the following timeframes in Section 3.3.3 (the "Effective Date of Disenrollment").

3.3.3 The Effective Date of Disenrollment is as follows:

3.3.3.1 Except as otherwise provided in this Section 3.3.3, Disenrollment will take effect as of the Effective Date of Disenrollment specified in ASES's notice to the Contractor that an Enrollee is no longer eligible.

3.3.3.2 The Contractor is not responsible for providing Covered Services under the Medicare Platino Plan under this Contract after the Effective Date of Disenrollment, unless the Enrollee

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was incorrectly disenrolled and subsequently re-enrolled in the Contractor's Medicare Platino Plan.

3.3.4 Disenrollment Initiated by the Contractor

3.3.4.1 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.

3.3.4.2 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.

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

3.3.4.3.1 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;

3.3.4.3.2 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;

3.3.4.3.3 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);

3.3.4.3.4 The Enrollee has moved out of the Contractor's Service Regions;

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

3.3.4.3.6 The Enrollee's Medicare, Medicaid or CHIP eligibility category changes to a category ineligible for Medicare Platino Program; or

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

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

3.3.4.4.1 That it is impossible for the Contractor to continue to provide services to the Enrollee without endangering the Enrollee or other Medicare Platino Enrollees; and

3.3.4.4.2 That an action short of Disenrollment will not resolve the problem.

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

3.3.4.5.1 Adverse changes in an Enrollee's health status;

3.3.4.5.2 Missed appointments;

3.3.4.5.3 Utilization of medical services;

3.3.4.5.4 Diminished mental capacity;

3.3.4.5.5 Pre-existing medical condition;

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

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

3.3.4.6 When requesting Disenrollment of an Enrollee for reasons described in Section 3.3.4.3, the Contractor must make a reasonable effort to identify for the Enrollee, both verbally and in writing, those actions of Enrollee that justify the Disenrollment request. The Contractor must notify the Enrollee of the availability of the Grievance and Appeal System and of ASES's Administrative Law Hearing process, as provided by Act 72 of September 7, 1993, as amended. The Contractor shall keep ASES informed of decisions related to all complaints filed by an Enrollee as a result of, or subsequent to, the notice of intent to disenroll.

3.3.4.7 The ASES will render a decision within five (5) days of receipt of the fully documented request for Disenrollment. Final written determination will be provided to the Enrollee and the Contractor. Once an Enrollee has been disenrolled at the Contractor's request, the Enrollee will not be re-enrolled with the Contractor's Medicare Platino Plan unless the Contractor first agrees to such re-enrollment.

3.3.5 Disenrollment Initiated by the Enrollee

3.3.5.1 An Enrollee may disenroll from the Contractor's Medicare Platino Plan for any reason. Disenrollments generally shall be effective on the first (1st) of the month following receipt of the written disenrollment request.

3.3.5.2 All Enrollees must be notified at least annually of their disenrollment rights as set forth in Section 3.3 and 42 CFR 438.56. Such notification must clearly explain the process for exercising this disenrollment right, as well as the coverage alternatives available to the Enrollee based on their specific circumstance.

3.3.5.3 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.

ARTICLE 4 ENROLLEE NOTIFICATION

4.1 General Provisions

4.1.1 The Contractor shall disclose any Information required by federal and state law and regulation, including 42 CFR 438.10, and required by any specific guidance issued by CMS and ASES, to Potential Enrollees and Enrollees according to the applicable timeframes.

4.1.2 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.

4.1.3 The Contractor shall provide Enrollees with at least thirty (30) Calendar Days written notice of any significant change in the Information to be communicated to Potential Enrollees and Enrollees as required in this Article 4.

4.1.4 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).

4.2 Requirements for Written Materials

4.2.1 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 must also include taglines in the prevalent languages, as well as large print, with a font size of no smaller than 18 point, 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 appropriate customer service line. 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'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.

4.2.2 Except as provided in Section 4.3 and subject to Section 4.2.6, the Contractor shall make all written information available in Spanish, 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(c)(2) and Section 1557 of PPACA.

4.2.3 If oral interpretation services are required in order to explain the Benefits covered under the Medicare Platino Program 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).

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

4.2.5 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.

4.2.6 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.

4.3 Enrollee Handbook, Provider Directory, and Other Notification Requirements

4.3.1 The Contractor shall provide the following Information in an enrollee handbook, provider directory, and/or other required notices and formats in compliance with 42 CFR 438.10:

4.3.1.1 A Provider Directory with names, provider group affiliations, locations, office hours, telephone numbers, websites, cultural and linguistic capabilities, completion of Cultural Competency training, and accommodations for people with physical disabilities of current Network Providers. The Provider Directory shall also identify all Network Providers that are not accepting new patients.

4.3.1.1.1 This Provider Directory must be made available on the Contractor's website and shall be updated in paper form once a month.

4.3.1.1.2 This Provider Directory must be distributed to all Enrollees at least once per year and additionally upon Enrollee request.

4.3.1.2 Information on the amount, duration and scope of Covered Services available under the Contract, and in sufficient detail to ensure that Enrollees understand the Benefits to which they are entitled;

4.3.1.3 Enrollee Rights and Protections, as set forth in 42 CFR 438.100 and in the Puerto Rico Patient's Bill of Rights Act 194 of August 24, 2000;

4.3.1.4 An explanation of any service limitations or exclusions from coverage, including any restrictions on the Enrollee's freedom of choice among Out-of-Network Providers;

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

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

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

4.3.1.7.1 What constitutes an Emergency Medical Condition or Psychiatric Emergency;

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

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

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4.3.1.7.4 The scope of Post-Stabilization Services offered under the Medicare Platino Plan;

4.3.1.7.5 The locations of emergency rooms and other locations at which Providers and hospitals furnish Emergency Services and Post-Stabilization Services covered under the Medicare Platino Plan; and

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

4.3.1.8 Information on pharmacy benefits coverage, including which brand name and generic medications are included on the Formulary of Medications Covered ("FMC") and List of Medications by Exception ("LME");

4.3.1.9 An explanation of the cost-sharing responsibilities of Dual Eligible Beneficiaries under the Medicare Platino Plan;

4.3.1.10 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;

4.3.1.11 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 Medicare Platino Program if the Enrollee chooses to disenroll;

4.3.1.12 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 5.4 of this Contract;

4.3.1.13 A statement that additional Information on the structure and operations of the Medicare Platino Plan and Physician Incentive Plans, shall be made available to Enrollees and Potential Enrollees upon request;

4.3.1.14 A description of Utilization Management policies and procedures used by the Contractor.

4.3.1.15 Information on the Contractor's Grievance and Appeal System's policies and procedures, as described in Article 11 of this Contract. This description must include the following:

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

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

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

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

4.3.1.15.5 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;

4.3.1.15.6 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;

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

4.3.1.17 Instructions on how an Enrollee can report suspected Fraud, Waste, or Abuse on the part of a Provider, and protections that are available for whistleblowers;

4.3.1.18 Information on non-coverage of counseling or referral services based on Contractor's moral or religious objections, and how to access these services from ASES; and

4.3.1.19 Instructions on how to access oral or written translation services, Information in alternative formats, and auxiliary aids and services, as specified in Sections 4.2 and 4.6.

4.3.2 Any Enrollee Information required under 42 CFR 438.10, including the Enrollee Handbook 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.

4.3.3 Medicare Platino post-enrollment notices and materials that are also required under this Section 4.3.3 include, but are not limited to, the following:

4.3.3.1 Member ID cards;

4.3.3.2 Notice of the Effective Date of Enrollment;

4.3.3.3 Notice of the Effective Date of Changes to the Medicare Platino Plan;

4.3.3.4 Notice of Termination, and of Service Area and Network Changes; and

4.3.3.5 Summary of Benefits

4.4 Enrollee Rights and Responsibilities

4.4.1 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:

4.4.1.1 Receive information pursuant to 42 CFR 438.10;

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

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

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

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

4.4.1.6 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;

4.4.1.7 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;

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

4.4.1.9 Provide informed consent;

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

4.4.1.11 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;

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

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

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

4.4.1.15 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

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4.4.1.16 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.

4.5 Cultural Competency

4.5.1 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, or 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.

4.6 Interpreter Services

4.6.1 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 such as TTY/TDY and 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.

4.7 Marketing

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

4.7.1.1 Directly or indirectly engaging in door-to-door, telephone, texting, or other Cold-Call Marketing activities aimed at Potential Enrollees. E-mail is permitted if Contractor includes in each communication a process to allow a recipient to opt-out from receiving future e-mails;

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

4.7.1.3 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 of Puerto Rico, or similar entity; and

4.7.1.4 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.

4.7.1.5 Seeking to influence Enrollment in conjunction with the sale or offering of any private insurance.

4.7.1.6 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.

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

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

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

4.7.2.3 Distribute brochures and display posters at Provider offices that inform patients that the Provider is part of the Medicare Platino Plan's Provider Network; and

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

4.7.3 If the Contractor performs an allowable activity, the Contractor must conduct that activity in one (1) or all Service Areas covered by this Contract.

4.7.4 All materials shall be in compliance with the informational requirements in 42 CFR 438.10, as well as 42 CFR Part 422, Subpart V, 42 CFR Part 423 Subpart V, and the Medicare Marketing Guidelines, to the extent those requirements apply to the Medicare Platino Plan.

4.7.5 ASES Approval of Marketing Materials

4.7.5.1 The marketing materials the Contractor shall use to market its Medicare Platino products must meet the marketing guidelines specified by ASES. The Contractor shall submit any changes to previously approved Marketing Materials and receive written approval from ASES of the changes before distribution.

4.7.5.2 Approval of marketing materials from ASES is necessary for the Contractor to start its marketing activities. The marketing materials the Contractor intends to distribute must also meet CMS's marketing guidelines and be approved by CMS.

4.7.5.3 In the event that the Contractor failed to follow the marketing guidelines for the Medicare Platino Plan marketing materials, as certified through an investigation or audit from ASES, sanctions and fines may be imposed as permitted by this Contract and/or applicable regulation.

4.7.6 Provider Marketing Materials

4.7.6.1 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.

4.7.6.2 The Contractor shall collect from its Providers any Marketing Materials they intend to distribute. Although prior approval of Provider Marketing Materials is not required, in the event such materials are found to be in violation of this Agreement, they are subject to cease and desist orders and/or other applicable sanctions by ASES.

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

ARTICLE 5 COVERED SERVICES AND BENEFITS

5.1 CMS Approval. Due to the fact that, at the time of execution of this Contract, ASES will not have yet received the approved Medicare Advantage Plan Benefit Package ("PBP") from CMS, as attached in Appendix C-1, all terms and conditions of this Contract are subject to ASES's determination, in its sole discretion, that the Medicare Platino Plan complies with all the requirements of the Medicare Platino Program as set forth by ASES for this Contract Term. If ASES determines that the Medicare Advantage PBP does not comply with Medicare Platino Program requirements, the Contractor is responsible for requesting and obtaining approval for the necessary changes to the Medicare Advantage PBP from CMS. Until ASES confirms to the Contractor in writing that the Medicare Advantage PBP complies with these requirements, the Contractor shall be prohibited from conducting any Marketing of their Medicare Platino Plan.

5.2 Requirement to Provide Covered Services

5.2.1 The Contractor shall at a minimum provide the services set forth in the following pursuant to the program requirements of the Medicare Platino Program, and the Puerto Rico Medicaid State Plan and CHIP Plan, and in a manner consistent with professionally recognized standards of health care and access standards required by 42 CFR Section 422.11/438.206 and Law 72 of September 7, 1993, respectively, and as:

5.2.1.1 Appendix C-1. Medicare Advantage PBP submitted to CMS

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5.2.1.2 Appendix C-2. Medicaid Wraparound Benefit

5.2.1.3 Appendix C-3. Services not covered by Medicare Platino but provided by the Department of Health, which are hereby made part of this Contract as if set forth fully herein.

5.2.1.4 Appendix C-4. Summary of Benefits Report. The Summary Benefits ("SB") included in Appendix C-4 was submitted by the Contractor and has yet to be approved by ASES Compliance Office. The Parties agree that the inclusion of the SB does not mean that the same have already been approved and that, if necessary, changes could be requested. Therefore, since the SB needs the approval of the ASES, this Section could be amended subject to further ASES review.

5.2.1.5 Appendix C-5. Coordinated Care Model Norms 2021 Certification.

5.2.1.6 Appendix C-6. Co-Payments Certifications

5.2.1.7 Appendix C-7. Benefit Not Covered by Wrap-Around and Value-Added Benefits Certification

5.2.1.8 Appendix N. HIV Drug Certification

5.2.2 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.

5.2.2.1 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:

5.2.2.1.1 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

5.2.2.1.2 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

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surgical or other invasive procedure performed on the incorrect patient for inpatient and non-institutional services.

5.2.2.1.3 Any other Provider preventable conditions that meet the criteria set forth in 42 CFR 447.26(b).

5.2.2.2 The Contractor must report all identified Provider preventable conditions to ASES on a quarterly basis. This report 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.

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

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

5.3 Emergency and Post-Stabilization Services

5.3.1 The Contractor shall cover and pay for Emergency Services where necessary to treat an Emergency Medical Condition or a Psychiatric Emergency. 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.

5.3.2 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).

5.3.3 Contractor shall abide by 42 CFR 438.114 and may not limit what constitutes an emergency medical condition on the basis of lists of diagnoses or symptoms, nor may it refuse to cover emergency services based on the emergency room provider, hospital, or fiscal agent not notifying the Enrollees' primary care provider, Contractor or ASES within ten (10) calendar days of presentation for emergency services.

5.3.4 Such emergency services shall consist of whatever is necessary to stabilize the patient's condition, unless the expected medical benefits of a transfer outweigh the risk of not undertaking the transfer, and the transfer conforms with all applicable requirements. Stabilization services include all treatment that may be necessary to assure within reasonable medical probability that no material

deterioration of the patient's condition is likely to result from or occur during discharge of the patient or transfer of patient to another facility.

5.3.4.1 In the event of a disagreement with the provider concerning whether a patient is stable enough in order to be discharged or transferred or whether the medical benefits outweigh the risks of discharge or transfer, the judgment of the attending emergency physician treating the enrollee will prevail and oblige the Contractor.

5.3.5 An Enrollee who has been treated for an Emergency Medical Condition or Psychiatric 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.

5.3.6 Post-Stabilization Services

5.3.6.1 Pursuant to 42 CFR 438.114(e) and 42 CFR 422.113(c), as applicable, after stabilization of an emergency medical condition, Contractor must ensure that access to services is available and provided in order to maintain the stabilized condition or to improve or resolve the Enrollee's condition.

5.3.6.2 Contractor shall cover Post-Stabilization Services obtained from any Provider 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.

5.3.6.3 Financial Responsibility

5.3.6.3.1 The Contractor shall be financially responsible for Post-Stabilization Services obtained from or Non-Network Providers. These services will be subject to Prior Authorization by a Network Provider or any other Contractor representative.

5.3.6.3.2 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 a Network Provider.

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5.3.6.3.3 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:

5.3.6.3.3.1 The Contractor does not respond to a request for Prior Authorization within one (1) hour;

5.3.6.3.3.2 The Contractor cannot be contacted; or

5.3.6.3.3.3 The Contractor and the treating physician cannot reach an agreement concerning the Enrollee's care, and the Network Provider is not available for consultation. In this situation, the Contractor must give the treating physician the opportunity to consult with the 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.

5.3.6.3.4 The Contractor's financial responsibility for Post-Stabilization Services that it has not Prior Authorized ends when:

5.3.6.3.4.1 A Network Provider with privileges at the treating hospital assumes responsibility for the Enrollee's care;

5.3.6.3.4.2 A Network Provider assumes responsibility for the Enrollee's care through transfer;

5.3.6.3.4.3 A Contractor representative and the treating physician reach an agreement concerning the Enrollee's care; or

5.3.6.3.4.4 The Enrollee is discharged.

5.3.6.4 Contractor may conduct post-utilization review of what constitutes an emergency medical condition, as defined herein, in accordance with the Medicaid Managed Care regulations.

5.3.7 Family Planning Services

5.3.7.1 The Contractor shall not restrict the Enrollee's free choice of family planning services and supplies providers.

5.3.7.2 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, as certified by a physician; (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.

5.3.8 Outpatient / Prescription Drugs

5.3.8.1 Where appropriate, the Contractor shall provide coverage of outpatient prescription drugs as defined in Section 1927(k)(2) of the Act, in accordance with standards for such coverage imposed by Section 1927 of the Social Security Act.

5.3.8.2 The Contractor shall 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.

5.3.8.3 The Contractor shall provide to ASES annually a detailed description of its drug utilization program activities.

5.3.8.4 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 ASES's (or its designee's) Pharmacy and Therapeutic ("P&T") Committee and decided upon in consultation with the Contractor when applicable.

5.3.9 Mental Health or Substance Use Disorder Benefits - Parity Requirements

5.3.9.1 The Contractor shall ensure compliance with the requirements for parity in mental health or substance use disorder benefits under 42 CFR part 438, subpart K, including any other applicable guidance. The Contractor shall conduct a medical/surgical and mental health parity analysis to determine compliance with 42 CFR part 438, subpart K and provide the results of the analysis to ASES in the format and timeframes specified by ASES.

5.3.9.2 The Contractor shall ensure that its prior authorization requirements comply with the requirements for parity in mental

health and substance use disorder benefits under 42 CFR § 438.910(d).

5.3.9.3 If the Contractor does not include an aggregate lifetime or annual dollar limit on any medical/surgical benefits or includes an aggregate lifetime or annual dollar limit that applies to less than one-third of all medical/surgical benefits provided to enrollees under this Contract, the Contractor may not impose an aggregate lifetime or annual dollar limit, respectively, on mental health or substance use disorder benefits.

5.3.9.4 If the Contractor includes an aggregate lifetime or annual dollar limit on at least two-thirds of all medical/surgical benefits provided to enrollees under this Contract, the Contractor must either apply the aggregate lifetime or annual dollar limit both to the medical/surgical benefits to which the limit would otherwise apply and to mental health or substance use disorder benefits in a manner that does not distinguish between the medical/surgical benefits and mental health or substance use disorder benefits; or not include an aggregate lifetime or annual dollar limit on mental health or substance use disorder benefits that is more restrictive than the aggregate lifetime or annual dollar limit, respectively, on medical/surgical benefits.

5.3.9.5 If the Contractor includes an aggregate lifetime limit or annual dollar amount that applies to one-third or more but less than two-thirds of all medical/surgical benefits provided to enrollees under this Contract, the Contractor must either impose no aggregate lifetime or annual dollar limit on mental health or substance use disorder benefits; or impose an aggregate lifetime or annual dollar limit on mental health or substance use disorder benefits that is no more restrictive than an average limit calculated for medical/surgical benefits in accordance with 42 CFR 438.905(e)(ii).

5.3.9.6 The Contractor must not apply any financial requirement or treatment limitation to mental health or substance use disorder benefits in any classification that is more restrictive than the predominant financial requirement or treatment limitation of that type applied to substantially all medical/surgical benefits in the same classification furnished to Enrollees (whether or not the benefits are furnished by the Contractor).

5.3.9.7 If the Enrollee is provided mental health or substance use disorder benefits in any classification of benefits (inpatient, outpatient, emergency care, or prescription drugs), mental health or substance use disorder benefits must be provided by the

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Contractor to the Enrollee in every classification in which medical/surgical benefits are provided.

5.3.9.8 The Contractor may not apply any cumulative financial requirements for mental health or substance use disorder benefits in a classification (inpatient, outpatient, emergency care, prescription drugs) that accumulates separately from any established for medical/surgical benefits in the same classification.

5.3.9.9 The Contractor may not impose non-quantitative treatment limitations for mental health or substance use disorder benefits in any classification 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 non-quantitative treatment limitations to mental health or substance use disorder benefits 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 limitation for medical/surgical benefits in the classification.

5.3.9.10 The Contractor shall use processes, strategies, evidentiary standards, or other factors in determining access to out-of-network providers for mental health or substance use disorder benefits that are comparable to, and applied no more stringently than, the processes, strategies, evidentiary standards, or other factors in determining access to out-of-network providers for medical/surgical benefits in the same classification.

5.3.9.11 The Contractor may cover, in addition to services covered under the state plan, any services necessary for compliance with the requirements for parity in mental health and substance use disorder benefits in 42 CFR part 438, subpart K, based on the types and amount, duration and scope of services consistent with the analysis of parity compliance conducted by either ASES or the Contractor, in accordance with 42 CFR § 438.3(e)(1)(ii).

5.4 Advance Directives

5.4.1 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.

5.4.2 Advance Directives shall be included in each Enrollee's Medical Record. The Contractor shall provide Advance Directives policies and procedures written at

a fourth (4th) grade reading level in English and Spanish to all eighteen (18) years of age and older and shall advise Enrollees of:

5.4.2.1 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;

5.4.2.2 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

5.4.2.3 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.

5.4.3 Contractor shall include in its contracts with Network Providers acknowledgement of its obligation under Law No. 160 to inform and distribute written information to adult individuals concerning instructions on Advance Directives, any limitations on implementing Advance Directives due to moral or religious objection, the right to file complaints for non-compliance with these requirements, as well as the continuous duty to provide written information of any changes in laws as it pertains to Advance Directives, not later than ninety (90) days after the effective date of such change.

5.4.4 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.

5.4.5 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.

5.5 Moral or Religious Objections

5.5.1 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:

5.5.1.1 ASES within one hundred and twenty (120) Calendar Days before adopting the policy with respect to any service;

5.5.1.2 Enrollees within ninety (90) Calendar Days after adopting the policy with respect to any service; and

5.5.1.3 Enrollees and Potential Enrollees before and during Enrollment.

5.5.2 The Contractor shall furnish information about the services it does not cover based on a moral or religious objection to ASES. 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 to the Contractor.

5.5.3 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 the Enrollees.

5.6 Transition of Care

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

5.6.1.1 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;

5.6.1.2 Refer Enrollee to appropriate Network Providers;

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

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

5.6.1.5 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 PROVIDER NETWORK

6.1 General Provisions

6.1.1 The Contractor will establish and maintain a network of Network Providers that complies with 42 CFR 438.206(b)(l) and is otherwise sufficient to provide adequate access to covered services to meet the needs of Enrollees in the Medicare Platino Plan. This network and access must include:

6.1.1.1 A women's health specialist to provide women's routine and preventive health care services. This is in addition to the enrollee's designated source of primary care if that source is not a woman's health specialist.

6.1.1.2 Ability to obtain a second opinion from a qualified health care professional within the network or arrange for the ability of the enrollee to obtain one outside the network, at no cost to the enrollee.

6.1.1.3 Adequate and timely access and coverage for Network Providers as well as out of network services if Contractor is unable to provide such access. Out of network providers shall coordinate with the Contractor with respect to payment. The Contractor must ensure that cost to the enrollee is no greater that it would be if the service were furnished in the network.

6.1.2 The Contractor shall also comply with the requirements specified in 42 CFR 438.207 and 438.214 and all applicable Puerto Rico requirements regarding the assurance of adequate capacity and quality. Contractor shall submit to ASES at the beginning of this contract the documentation assuring adequate capacity and services in compliance with 42 CFR 438.207(b) and other applicable regulations governing the ability to accommodate expected enrollment in accordance with ASES's standards for access and timeliness of care. The Contractor shall also:

6.1.2.1 Establish and maintain a comprehensive network of Providers capable of serving all Enrollees who enroll in the Contractor's Medicare Platino Plan;

6.1.2.2 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;

6.1.2.3 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;

6.1.2.4 Be allowed to negotiate different reimbursement amounts for different specialties or for different practitioners in the same specialty;

6.1.2.5 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;

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6.1.2.6 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

6.1.2.7 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).

6.1.2.8 The Contractor's Network Providers must offer hours of operation that are no less than the hours offered to commercial enrollees or are comparable to Medicaid fee-for-service, if the Provider serves only Medicaid Enrollees.

6.1.2.9 Monitor providers regularly to determine compliance with the timely access requirements, and take corrective action if it, or its Providers, fail comply with the timely access requirements.

6.1.3 In the event the Contractor cannot meet network requirements set forth in Section 6.1.2, 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 standard by which ASES will evaluate the exception request will be based, at a minimum, on the number of network providers in that specialty practicing in Puerto Rico.

6.1.4 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:

6.1.4.1 Require the Contractor to contract with Providers beyond the number necessary to meet the needs of its Enrollees;

6.1.4.2 Preclude the Contractor from using different reimbursement amounts for different specialties or for different practitioners in the same specialty; or

6.1.4.3 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.

6.1.5 The provider's facilities must comply with Federal and Puerto Rico laws regarding the physical condition of medical facilities, the Provider's facilities and must also comply with ASES's requirements including, but not limited to, accessibility, 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.

6.1.6 The Contractor shall require that each Provider have a unique National Provider Identifier ("NPI").

6.1.7 The Contractor is responsible for establishing and monitoring Medical Record guidelines which include documentation of all services provided by Network Providers.

6.1.8 Provider Credentialing

6.1.8.1 The Contractor shall ensure that all Network Providers are appropriately credentialed and qualified to provide services under the terms of this Contract, all applicable Federal and Puerto Rico law, and comply with CMS Credentialing requirements included in CMS Chapter 6 of the Medicare Managed Care Manual.

6.1.8.2 Credentialing is required for:

6.1.8.2.1 All physicians who provide services to the Contractor's Enrollees,

6.1.8.2.2 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.

6.1.8.3 Credentialing is not required for:

6.1.8.3.1 Providers who are permitted to furnish services only under the direct supervision of another practitioner;

6.1.8.3.2 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

6.1.8.3.3 Students, residents, or fellows.

6.1.8.4 Contractor shall use Standards for Credentialing and Re-Credentialing

6.1.8.4.1 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 not be 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:

6.1.8.4.1.1 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;

6.1.8.4.1.2 Meet Puerto Rico and Federal regulations for Credentialing and Re-Credentialing, including 42 C.F.R. §§ 455.104, 455.105, 455.106 and 1002.3(b);

6.1.8.4.1.3 Use one (1) standard Credentialing form approved by ASES;

6.1.8.4.1.4 Designate a Credentialing committee or other peer review body to make recommendations regarding Credentialing/Re-Credentialing issues;

6.1.8.4.1.5 Complete the Credentialing process within forty-five (45) Calendar Days from receipt of completed application with all required primary source documentation;

6.1.8.4.1.6 Ensure Credentialing/Re-Credentialing forms require ownership and control disclosures, disclosure of business transactions, and criminal conviction information;

6.1.8.4.1.7 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;

6.1.8.4.1.8 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;

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6.1.8.4.1.9 Ensure board certification, when applicable, in each clinical specialty area for which the Provider is being credentialed;

6.1.8.4.1.10 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;

6.1.8.4.1.11 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;

6.1.8.4.1.12 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;

6.1.8.4.1.13 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;

6.1.8.4.1.14 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;

6.1.8.4.1.15 Ensure that Behavioral Health Network Providers (as applicable) are trained and certified by the Substance Abuse and Mental Health Services Administration ("SAMHSA");

6.1.8.4.1.16 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;"

6.1.8.4.1.17 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;

6.1.8.4.1.18 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 agreements; and

6.1.8.4.1.19 Maintain records that verify its Credentialing and Re-Credentialing activities, including primary source verification and compliance with Credentialing/Re-Credentialing requirements.

6.1.8.4.2 The Contractor shall perform the following functions:

6.1.8.4.2.1 Credential any Provider who contracts with the Contractor and maintaining complete Credentialing information for these Providers;

6.1.8.4.2.2 Identify potential and actual Network Providers who are enrolled with ASES as Medicaid or Medicare Providers;

6.1.8.4.2.3 Require any Network Provider to be enrolled with the GHP and/or Medicare Platino as a managed care Provider;

6.1.8.4.2.4 Perform site visits. The Contractor's site visit policy will be reviewed pursuant to CMS' monitoring protocol. At 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 Contractor;

6.1.8.4.2.5 Re-Credential Network Providers every three (3) years;

6.1.8.4.2.6 Ensure all required documents and licenses are current at the time of initial Credentialing or Re-Credentialing;

6.1.8.4.2.7 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.

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6.1.8.4.2.8 The Contractor shall ensure and be able to demonstrate at the request of ASES, that: (i) Out-of-Network Providers have been credentialed by an authoritative entity and that (ii) the Contractor's internal Credentialing and Re-Credentialing processes are in accordance with 42 CFR 438.214.

6.1.8.4.2.9 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 Section 10.5.11 below, the Contractor shall deny the Provider's request to participate in the Provider Network, or, for a current Network Provider, as provided in Section 7.3, 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.

6.1.8.4.2.10 The Contractor shall report to ASES monthly the Credentialing and Re-Credentialing status of Providers.

ARTICLE 7 PROVIDER CONTRACTING

7.1 Provider Guidelines

7.1.1 The Contractor shall prepare Provider Guidelines, to be distributed to all Network Providers. 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.

7.1.2 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.

7.1.3 The Contractor shall submit the Provider Guidelines to ASES for review and prior written approval according to the timeframe set forth in Appendix L to this Contract.

7.1.4 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 11); 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.

7.1.5 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. Contractor shall maintain evidence of having delivered the Provider Guidelines to its Network Providers within fifteen (15) Calendar Days of an 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. After the initial provision of the Provider Guidelines upon an award of the Provider Contract, Contractor may allow changes and updates to the Provider Guidelines to be shared with Network Providers electronically or through the Contractor's website or portal. Contractor must provide a copy of an update to the Provider Guidelines by mail upon Network Provider's request.

7.1.6 The Contractor shall have policies and procedures to inform its Provider Network, in a timely manner, of programmatic changes such as changes to drug formularies, Covered Services, and protocols.

7.2 Required Provisions in Provider Contracts

7.2.1 All Provider Contracts shall be labeled with the Provider's NPI, if applicable. In general, the Contractor's Provider Contracts shall:

7.2.1.1 Include a section summarizing the Contractor's obligations under this Contract, as they affect the delivery of health care services under the Medicare Platino Program, and describing

Covered Services and populations (or, include the Provider Guidelines as an attachment);

7.2.1.2 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;

7.2.1.3 Specify the effective dates of the Provider Contract;

7.2.1.4 Require that the Provider work to advance the integrated model of physical and Behavioral Health Services;

7.2.1.5 Require that the Provider comply with the applicable Federal and Puerto Rico laws, and with all CMS requirements;

7.2.1.6 Require that the Provider verify the Enrollee's Eligibility before providing services or making a Referral;

7.2.1.7 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 4 of Act 72 and of 42 CFR Part 438, Subpart I (Sanctions);

7.2.1.8 Prohibit the Provider from making claims for any unallowed administrative expenses;

7.2.1.9 Prohibit the unauthorized sharing or transfer of ASES Data, as defined in Section 24.1;

7.2.1.10 Notify the Provider that the terms of the contract for services under Medicare Platino are subject to subsequent changes in legal requirements that are outside of the control of ASES;

7.2.1.11 Require the Provider to comply with all reporting requirements contained in Article 15 of this Contract, as applicable, and particularly with the requirements to submit Encounter Data for all services provided, and to report all instances of suspected Fraud, Waste, or Abuse;

7.2.1.12 Require the Provider to acknowledge that ASES Data (as defined in Section 24.1) 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;

7.2.1.13 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 4.4.1.16;

7.2.1.14 Require the Provider to cooperate with the Contractor's quality improvement and Utilization Management activities;

7.2.1.15 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);

7.2.1.16 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;

7.2.1.17 Require Providers to meet the timeframes for Access to services pursuant to Section 6.1.2 of this Contract;

7.2.1.18 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;

7.2.1.19 Require Providers to monitor and as necessary and appropriate register Enrollee patients to determine whether they have a medical condition that suggests Care Management or Disease Management services are warranted;

7.2.1.20 Prohibit Provider discrimination against high-risk populations or Enrollees requiring costly treatments;

7.2.1.21 Prohibit Providers who do not have a pharmacy license from directly dispensing medications, as required by the Puerto Rico Pharmacy Act;

7.2.1.22 Specify that ASES, the Secretary, the DHHS, CMS, the Office of the 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, and may inspect the premises, physical facilities, and equipment where activities or work related to the Medicare Platino 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)

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years from the final date of the contract period or from the date of completion of any audit, whichever is later;

7.2.1.23 Include the definition and standards for Medically Necessary Services;

7.2.1.24 Require that the Provider attend promptly to requests for Prior Authorizations, when Medically Necessary, in compliance with the timeframes set forth in Section 8.4.1 and in 42 CFR 438.210 and the Puerto Rico Patient's Bill of Rights;

7.2.1.25 Prohibit the Provider from establishing specific days for the delivery of Referrals or requests for Prior Authorization;

7.2.1.26 Notify the Provider that, in order to participate in the Medicare Platino Program, the Provider must accept Medicare Platino Enrollees;

7.2.1.27 Specify rates of payment, as detailed in Section 7.4, 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 4.4.1.16 of this Contract;

7.2.1.28 Specify acceptable billing and coding requirements including ICD-10;

7.2.1.29 Require that the Provider comply with the Contractor's Cultural Competency plan;

7.2.1.30 Require that any Marketing Materials developed and distributed by the Provider be submitted to the Contractor for submission to ASES for prior written approval according to the timeframe set forth in Appendix L to this Contract;

7.2.1.31 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 3.2.3;

7.2.1.32 Require Providers to collect Enrollee Co-Payments as specified in Appendix C-6;

7.2.1.33 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);

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7.2.1.34 Require that Medically Necessary Services shall be available twenty-four (24) hours per day, seven (7) days per Week, to the extent feasible;

7.2.1.35 Prohibit the Provider from operating on a different schedule for Medicare Platino Enrollees than for other patients, and from in any other way discriminating in an adverse manner between Medicare Platino Enrollees and other patients;

7.2.1.36 Not require that Providers sign exclusive Provider Contracts with the Contractor if the Provider is an FQHC or RHC;

7.2.1.37 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;

7.2.1.38 Impose fees or penalties if the Provider breaches the contract or violates Federal or Puerto Rico laws or regulations;

7.2.1.39 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 20.2 of this Contract, and require that the Contractor cover no health care services that are the responsibility of the Medicare Program;

7.2.1.40 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;

7.2.1.41 Require the Provider to sign a release giving ASES access to the Provider's Medicare billing Data, provided that such access is authorized by CMS and compliant with all HIPAA requirements;

7.2.1.42 Set forth the Provider's obligations under the Physician Incentive Programs outlined in Section 20.4 of this Contract;

7.2.1.43 Require the Provider to notify the Contractor Immediately if or whether the Provider is 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 or has been excluded from the Medicare, Medicaid, or Title XX Services Programs;

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7.2.1.44 Include a penalty clause to require the return of public funds paid to a Provider that falls within the prohibitions stated in Section 7.2.1.43 above;

7.2.1.45 Require that all reports submitted by the Provider to the Contractor be labeled with the Provider's NPI, if applicable;

7.2.1.46 Include Provider dispute process as described in Section 13.11.6

7.2.1.47 Require the Provider to disclose information on ownership and control as specified in Section 48.2; and

7.2.1.48 Require the Provider to disclose information as listed in Section 15.2.1.9.

7.3 Termination of Provider Contracts

7.3.1 The Contractor shall comply with all Puerto Rico and Federal laws regarding Provider termination. If such laws conflict, applicable federal laws and regulations shall take precedence over Puerto Rico laws and regulations. The Provider Contracts shall:

7.3.1.1 Contain provisions allowing immediate 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; insufficiency of funds of ASES or the Contractor, which prevents them from continuing to pay for their obligations; changes in Federal or State law, among others. 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.

7.3.1.2 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:

7.3.1.2.1 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

7.3.1.2.2 The Contractor or ASES learns that the Provider:

7.3.1.2.2.1 Falls within the prohibition stated in Section 7.2.1.43;

7.3.1.2.2.2 Has been or could be excluded from participation in the Medicare, Medicaid, or CHIP Programs;

7.3.1.2.2.3 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

7.3.1.2.2.4 Fails to comply with the Provider Credentialing process and requirements.

7.3.1.3 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.

7.3.2 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 network. If the termination was "for cause," the Contractor shall provide to ASES the reasons for termination immediately.

7.3.3 Unless otherwise specified by ASES, the Contractor shall, within fifteen (15) Calendar Days after receipt or issuance of a notice of termination to a Provider, 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.

7.4 Provider Payment

7.4.1 General Provisions

7.4.1.1 The Contractor guarantees payment for all Medically Necessary Services rendered by Providers on a person's Effective Date of Enrollment.

7.4.1.2 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.

7.4.1.3 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 4.4.1.1.6 and Appendix C-6 of this Contract).

7.4.1.4 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.

7.4.1.5 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.

7.4.1.6 Any Capitation payment made by the Contractor to Providers shall be based on sound actuarial methods in accordance with 42 C.F.R. § 438.4. The Contractor shall submit data supporting the actuarial soundness of Capitation Payments to ASES, including the base data generated by the Contractor. All Provider payments by the Contractor shall be reasonable, and the amount paid shall not jeopardize or infringe upon the quality of the services provided.

7.4.1.7 Even if the Contractor does not enter into a capitated payment arrangement with a Provider, the Provider shall nonetheless be required to submit to the Contractor detailed Encounter Data (see Section 13.8 of this Contract).

7.4.1.8 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.

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7.4.1.9 The Contractor shall make timely payments to Providers in accordance with the timeliness standards outlined in Section 13.10 of this Contract.

7.4.2 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.

7.4.3 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.

7.4.4 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.

7.4.5 Payment Rates Subject to Change. If applicable, 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.

ARTICLE 8 UTILIZATION MANAGEMENT

8.1 General

8.1.1 The Contractor shall comply with Puerto Rico and Federal requirements for Utilization Management ("UM") including but not limited to 42 CFR Part 456.

8.1.2 The Contractor shall ensure the involvement of appropriate, knowledgeable, currently practicing Providers in the development of UM procedures.

8.1.3 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.

8.1.4 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.

8.1.5 ASES reserves the right require the Contractor to submit any Utilization Management report.

8.2 Utilization Management Policies and Procedures

8.2.1 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 7.1) that:

8.2.1.1 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.

8.2.1.2 Address which services require PCP Referral, which services require a Service Authorization Request or Prior Authorization, and how requests for initial and continuing services are processed, and which services will be subject to concurrent, retrospective, or prospective review.

8.2.1.3 Describe mechanisms in place that ensure consistent application of review criteria for Service Authorization Requests and consult with the requesting Provider when appropriate.

8.2.1.4 Require that all Medical Necessity determinations be made in accordance with ASES's Medical Necessity definition. 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.

8.2.1.5 Facilitate the delivery of high quality, low cost, efficient, and effective care.

8.2.1.6 Ensure that services are based on the history of the problem or illness, its context, and desired outcomes.

8.2.1.7 Emphasize relapse and crisis prevention, not just crisis intervention.

8.2.1.8 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.

8.2.1.9 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.

8.2.2 The Contractor shall submit its Utilization Management policies and procedures to ASES for review and prior written approval according to the timeframe set forth in Appendix L to this Contract. Utilization Guidelines to be used for clinical audit must be approved by ASES and must be prepared by nationally recognized companies. The Contractor submitted as part of the information requested, the licenses for use and certification of personnel training that will be using. These Guidelines should be sent to the Executive Office within thirty (30) days of signed contract.

8.2.3 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.

8.2.4 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:

8.2.4.1 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

8.2.4.2 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).

8.3 Utilization Management Guidance to Enrollees.

8.3.1 As provided in Section 4.3.1.14, the Contractor shall provide clear guidance to Enrollees on its Utilization Management policies. Upon request, the Contractor

shall provide Utilization Management decision criteria to Providers, Enrollees, their families, and the public.

8.4 Timeliness of Prior Authorization Requests

8.4.1 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 required timeframes set forth in Section 11.4.7.

8.5 Prohibited Actions

8.5.1 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 Medicare Platino 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).

8.6 Emergency Services

8.6.1 Prior Authorization shall not be required for any Emergency Service, 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.

ARTICLE 9 QUALITY IMPROVEMENT AND PERFORMANCE PROGRAM

9.1 General Provisions

9.1.1 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.

9.1.2 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.

9.1.3 The Contractor shall ensure that its Quality Assessment and Performance Improvement Program effectively monitors the program elements listed in 42 CFR 438.66.

9.1.4 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 the following measures, and reporting results to CMS and ASES as required:

9.1.4.1 Health Plan and Employer Data Information Set (HEDIS)

9.1.4.2 Consumer Assessment of Health Plan Satisfaction (CAHPS)

9.1.4.3 Health Outcomes Survey (HOS)

9.1.5 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.

9.1.6 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.

9.1.7 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.

9.2 Quality Assessment Performance Improvement ("QAPI") Program

9.2.1 The Contractor shall comply with Puerto Rico and Federal standards for Quality Management/Quality Improvement ("QM/QI").

9.2.1.1 The Contractor shall establish QAPI that specifies the Contractor's quality measurement and performance improvement activities using clinically sound, nationally developed and accepted criteria.

9.2.1.2 The Contractor's QAPI program shall be submitted to ASES for review and approval according to the timeframe specified in Appendix L of this Contract.

9.2.2 The QAPI program shall be in compliance with Federal requirements specified at 42 CFR 438, Subpart E.

9.2.3 The Contractor agrees to conduct Chronic Care Improvement Program (CCIP) relevant to its Enrollees in accordance with Section 1852 of the Act and 42 CFR 422.152, and to submit the annual report on the CCIP to CMS and ASES as required.

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9.2.4 The Contractor's annual QAPI program shall be submitted to ASES for review and prior written approval according to the timeframe set forth in Appendix L to this Contract and subject to the annual reporting requirements outlined in Section 15.2.1.5.

9.2.5 The Contractor shall submit any changes to its QAPI program to ASES for review and prior written approval sixty (60) Calendar Days prior to implementation of the change.

9.2.6 Upon the request of ASES, the Contractor shall provide any Information and documents related to the implementation of the QAPI program.

ARTICLE 10 FRAUD, WASTE, AND ABUSE

10.1 General Provisions

10.1.1 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.

10.1.2 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.)

10.1.3 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.

10.1.4 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.

10.1.5 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.

10.1.6 The Contractor shall submit its Fraud, Waste, and Abuse policies and procedures, its proposed compliance plan, and its program integrity plan to ASES for prior written approval according to the timeframe set forth in Appendix L to this Contract.

10.1.7 Any changes to the Contractor's Fraud, Waste, and Abuse policies and procedures must 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.

10.1.8 The Contractor shall comply with all program integrity provisions of the PPACA including:

10.1.8.1 Enhanced Provider screening and enrollment, Section 6401;

10.1.8.2 Termination of Provider participation, Section 6501;

10.1.8.3 Provider discloser of current or previous affiliation with excluded Provider(s), Section 6401; and

10.1.8.4 Provider screening and enrollment, 42 CFR Part 455, Subpart E.

10.1.9 The Contractor shall inform ASES in writing Immediately upon becoming aware of a compliance breach related to the Contractor and/or Network Provider.

10.1.10 The Contractor shall inform the Medicaid Fraud Control Unit and ASES of any meetings it holds with any other Medicare Platino or 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.

10.1.11 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.

10.2 Compliance Plan

10.2.1 The Contractor shall have a written Fraud, Waste, and Abuse compliance plan with stated program goals and objectives, program scope, and methodology to evaluate program performance. A paper and electronic copy of the compliance plan shall be provided to ASES annually for prior written approval according to the timeframe set forth in Appendix L to this Contract. 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.

10.2.2 At a minimum, the Contractor's Fraud, Waste, and Abuse compliance plan shall, in accordance with 42 CFR 438.608:

10.2.2.1 Ensure that all of its officers, directors, managers and employees know and understand the provisions of the Contractor's Fraud, Waste, and Abuse compliance plan;

10.2.2.2 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;

10.2.2.3 Ensure and describe effective training and education for the compliance officer and the Contractor's employees;

10.2.2.4 Ensure that Providers and Enrollees are educated about Fraud, Waste, and Abuse identification and reporting in the materials provided to them;

10.2.2.5 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 Fraud, Waste, and Abuse program;

10.2.2.6 Ensure enforcement of standards of conduct through well-publicized disciplinary guidelines;

10.2.2.7 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 Fraud, Waste, and Abuse efforts;

10.2.2.8 Describe standards of conduct that articulate the Contractor's commitment to comply with all applicable Puerto Rico and Federal requirements and standards;

10.2.2.9 Ensure that no individual who reports Provider violations or suspected cases of Fraud, Waste, and Abuse is retaliated against; and

10.2.2.10 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:

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10.2.2.10.1 Monitoring the billings of its Providers to ensure Enrollees receive services for which the Contractor is billed;

10.2.2.10.2 Requiring the investigation of all reports of suspected cases of Fraud and over-billings;

10.2.2.10.3 Reviewing Providers for over, under and inappropriate Utilization;

10.2.2.10.4 Verifying with Enrollees the delivery of services as claimed; and

10.2.2.10.5 Reviewing and trending Enrollee Complaints regarding Providers.

10.2.3 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 its Fraud, Waste, and Abuse policies and procedures, the rights of whistleblowers, and the Contractor's and Subcontractor's procedures for detecting and preventing Fraud, Waste, and Abuse.

10.2.4 The Contractor shall include in the Enrollee Handbook instructions on how to report Fraud, Waste, and Abuse and the protections for whistleblowers.

10.3 Program Integrity Plan

10.3.1 The Contractor shall develop a program integrity plan that at a minimum:

10.3.1.1 Defines Fraud, Waste, and Abuse;

10.3.1.2 Specifies methods to detect Fraud, Waste, and Abuse;

10.3.1.3 Describes a process to perform investigations on each suspected case of Fraud, Waste, and Abuse;

10.3.1.4 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;

10.3.1.5 Includes a variety of methods for identifying, investigating, and referring suspected cases to appropriate entities;

10.3.1.6 Includes a systematic approach to Data analysis;

10.3.1.7 Defines mechanisms to monitor frequency of Encounters and services rendered to Enrollees billed by Providers;

10.3.1.8 Identifies requirements to complete the preliminary investigation of Providers and Enrollees;

10.3.1.9 Include provisions regarding prompt terminations of inactive Providers due to inactivity in the past twelve (12) months;

10.3.1.10 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;

10.3.1.11 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

10.3.1.12 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.

10.3.2 The Contractor's program integrity plan shall comply in all respects with ASES's guidelines for the development of a program integrity plan. Upon review of the Contractor's Program Integrity Plan, 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.

10.3.3 The Contractor shall notify ASES within twenty (20) Business Days of any initiated investigation of a suspected case of Fraud, Waste, or Abuse. The Contractor shall subsequently report preliminary results of such investigations activities to ASES and other appropriate Puerto Rico 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.

10.4 Prohibited Affiliations with Individuals Debarred by Federal Agencies

10.4.1 The Contractor shall not knowingly have a relationship with the following:

10.4.1.1 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

10.4.1.2 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.

10.4.1.3 An individual who is an Affiliate, as defined in the Federal Acquisition Regulation, of a person described in Section 10.4.1.2. The relationship is defined as follows:

10.4.1.3.1 A director, officer, or partner of the Contractor;

10.4.1.3.2 A person with beneficial ownership of five percent (5%) or more of the Contractor's equity; or

10.4.1.3.3 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.

10.4.1.3.4 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.

10.4.2 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.

10.4.3 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.

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10.5 Reporting and Investigations

10.5.1 The Contractor shall cooperate with all duly authorized Federal and Puerto Rico agencies and representatives in reporting, investigating and prosecuting Fraud, Waste, and Abuse.

10.5.1.1 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.

10.5.1.2 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).

10.5.2 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.

10.5.3 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.

10.5.4 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.

10.5.5 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.

10.5.6 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. 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.

10.5.7 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.

10.5.8 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.

10.5.9 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.

10.5.10 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.

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10.5.10.1 The Contractor shall Immediately disclose to ASES any and all criminal convictions of its managing employees

10.5.11 Regarding Provider disclosures, the Contractor shall:

10.5.11.1 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).

10.5.11.2 Track information received from ASES identifying Providers from whom ASES has received completed disclosures.

10.5.11.3 For Network 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.

10.5.11.4 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).

10.5.11.5 In accordance with Section 1866(j)(5) of the Social Security Act and implementing regulations, notify ASES if Contractor is informed of or discovers Out-of-Network Providers who (i) have any current or previous affiliations with a Provider or supplier that has uncollected debt, (ii) have been or are subject to a payment suspension under a Federal health care program (as defined in Section 1128B(f)), (iii) have been excluded from participation under Medicare, Medicaid or CHIP, or (iv) have had their billing privileges denied or revoked.

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10.6 Service Verification with Enrollees

10.6.1 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.

10.6.2 The Contractor must employ a methodology and sampling process prior approved by ASES to verify with its Enrollees on a monthly whether services billed to the Contractor by Providers were actually received. The methodology and sampling process must include criteria for identifying "high-risk" services and Provider types.

10.7 Stark Law Compliance. 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 11 GRIEVANCE AND APPEAL SYSTEM

11.1 General Requirements

11.1.1 In accordance with 42 CFR Part 438, Subpart F and 42 CFR Part 422, Subpart M, the Contractor shall establish an internal, integrated 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.

11.1.2 The Contractor's Grievance and Appeal System shall include (i) a Complaint process, (ii) a Grievance process, (iii) a Service Authorization Request process, (iv) an Appeal process, and (v) access to the Administrative Law Hearing process. The Contractor agrees to comply with all procedures and requirements in (i) 42 CFR 422.560, 422.561, 422.562, 422.566, and 422.592 through 422.626, unless otherwise provided in 422.629 to 422.634, (ii) 42 CFR 422.629 through 422.634, (iii) 42 CFR 438.210, 438,400 and 438.402, (iv) Parts C and D Enrollee Grievance, Organization/Coverage Determinations and Appeals Guidance and (v) Law 72 of September 7 1993, all as amended and as applicable.

11.1.3 The Contractor shall designate, in writing, an officer who shall have primary responsibility for ensuring that Complaints, Grievances, Service Authorization Requests, 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.

11.1.4 The Contractor shall develop a Grievance and Appeal System and written policies and procedures that detail the operation of the Grievance and Appeal 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 Appendix L to this Contract.

11.1.5 At a minimum, the Contractor's Grievance and Appeal System policies and procedures shall include the following:

11.1.5.1 Process for filing a Complaint, Grievance, Service Authorization Request or Appeal, or for seeking an Administrative Law Hearing;

11.1.5.2 Process for receiving, recording, tracking, reviewing, reporting, and resolving Grievances, Service Authorization Requests and Appeals filed verbally, in writing, or in-person, as permitted;

11.1.5.3 Process and timeframe for an Enrollee's Authorized Representative or Provider to file a standard and expedited Complaint, Grievance, Service Authorization Request or Appeal on behalf of an Enrollee;

11.1.5.4 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;

11.1.5.5 Procedures for the exchange of Information with Enrollees, Authorized Representatives, Providers and ASES regarding Complaints, Grievances, Service Authorization Requests and Appeals;

11.1.5.6 Process and timeframes for notifying Enrollees in writing regarding receipt, review, resolution and other action related to Complaints, Grievances, Service Authorization Requests, and Appeals, including requirements governing the delay of reviews and extension requests as well as denials of request for expedited review.

11.1.6 The Contractor's Grievance and Appeal System shall fully comply with the Puerto Rico's Patient's Bill of Rights Act, to the extent that such provisions do not conflict with, or pose an obstacle to Federal regulations.

11.1.7 The Contractor shall process each Complaint, Grievance, Service Authorization Request 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.

11.1.8 The Contractor shall include educational information in the Enrollee Handbook regarding the Contractor's Grievance and Appeal System which at a minimum includes:

11.1.8.1 A description of the Contractor's Grievance and Appeal System;

11.1.8.2 Instructions on how to file Complaints, Grievances, Service Authorization Requests and Appeals including the timeframes for filing and possible restrictions for submission;

11.1.8.3 The Contractor's toll-free telephone number and office hours;

11.1.8.4 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;

11.1.8.5 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

11.1.9 The following individuals or entities may request a Grievance, Service Authorization Request or Appeal, and are parties to the case:

11.1.9.1 The Enrollee or the Enrollee's Authorized Representative. When the term "Enrollee" is used within this Article 11, it includes Authorized Representatives and Providers that file a request pursuant to this Section, unless otherwise specified;

11.1.9.2 An assignee of the Enrollee, that is, a Provider who has furnished or intends to furnish a service to the Enrollee and formally agrees to waive any right to payment from the Enrollee for that service, or any other Provider or entity who has an appealable interest in the proceeding;

11.1.9.3 The legal representative of a deceased Enrollee's estate; or

11.1.9.4 Any Provider that furnishes, or intends to furnish, services to the Enrollee, provided, however, that if the Provider requests that benefits continue while the Appeal is pending, pursuant to 42 CFR 422.632 and consistent with Puerto Rico law, the Provider must obtain the written consent of the Enrollee to request the Appeal on behalf of the Enrollee. A Provider who is providing treatment to the Enrollee may, upon providing notice to the Enrollee, request a standard or expedited pre-service Appeal on behalf of an Enrollee.

11.1.10 In addition to the requirements set forth in 42 CFR 422.562(a)(5), the Contractor shall give Enrollees reasonable assistance in completing forms and taking other procedural steps for Complaints, Grievances, Service Authorization Requests, and Appeals. This includes, but is not limited to,

providing interpreter services and toll-free numbers that have adequate TDD and interpreter capability.

11.1.11 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:

11.1.11.1 The Enrollee's right to file Complaints, Grievances, Service Authorization Requests, and Appeals, and the requirements and timeframes for filing;

11.1.11.2 The Enrollee's right to file a Complaint, Grievance, or Appeal with the Patient Advocate Office;

11.1.11.3 The Enrollee's right to an Administrative Law Hearing, how to obtain an Administrative Law Hearing, and representation rules at an Administrative Law Hearing;

11.1.11.4 The availability of assistance in filing a Complaint, Grievance, Service Authorization Request, or Appeal;

11.1.11.5 The toll-free numbers to file oral Complaints, Grievances, Service Authorization Requests, and Appeals;

11.1.11.6 The Enrollee's right to request continuation of Benefits pending an Appeal or Administrative Law Hearing filing; and

11.1.11.7 Any Puerto Rico-determined Provider Appeal rights to challenge the failure of the Contractor to cover a service.

11.1.12 The Contractor shall have procedures in place to notify all Enrollees in their primary language of Complaint, Grievance, Service Authorization Request and Appeal dispositions.

11.1.13 The Contractor shall develop Grievance and Appeal System forms to be submitted for prior written approval by ASES according to the timeframe specified in Appendix L to this Contract. The approved forms shall be made available to all Enrollees, shall meet all requirements listed in Sections 4.2 and 4.3 for written materials, and shall, at a minimum:

11.1.13.1 Instruct the Enrollee or Enrollee's Authorized Representative that documentary evidence should be included, if available; and

11.1.13.2 Include instructions for completion and submission.

11.1.14 All ASES prior approved Complaints, Grievances, Service Authorization Requests and Appeals files and forms shall be made available to ASES for auditing. All Complaint, Grievance, Service Authorization Requests 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.

11.1.15 The Contractor shall ensure that the individuals who make decisions on Grievances, Service Authorization Requests, and Appeals are individuals:

11.1.15.1 Who were neither involved in any previous level of review or decision-making nor subordinates of any such individual; and

11.1.15.2 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:

11.1.15.2.1 An Appeal of a denial that is based on lack of Medical Necessity;

11.1.15.2.2 A Grievance regarding denial of expedited resolution of an Appeal; and

11.1.15.2.3 Any Grievance, Service Authorization Request or Appeal that involves clinical issues; and

11.1.15.3 Who take into account all comments, documents, records and other information submitted by Enrollee or their Authorized Representative without regard to whether such information was submitted or considered in the initial Adverse Benefit Determination.

11.1.15.4 Who, for Service Authorization Requests for dental services, are licensed dentists authorized to make such decisions.

11.1.16 The Contractor shall ensure that punitive action is not taken against a Provider who requests a Grievance, Appeal, Service Authorization Request or an Administrative Law Hearing for expedited resolution, or supports an Enrollee's Grievance, Appeal, Service Authorization Request or Administrative Law Hearing.

11.1.17 The Contractor and Subcontractors, as applicable, shall have a system in place to collect, maintain, analyze, and integrate Data regarding Complaints, Grievances, Service Authorization Requests and Appeals. At a minimum, the record of each case shall be accurate, accessible to ASES and available upon request to CMS, and include the following information:

11.1.17.1 Date the Complaint, Grievance, Service Authorization Request or Appeal was received;

11.1.17.2 Enrollee's name;

11.1.17.3 Enrollee's Medicaid ID number, if applicable;

11.1.17.4 Name of the individual filing the Complaint, Grievance, Service Authorization Request or Appeal on behalf of the Enrollee;

11.1.17.5 Date of acknowledgement that receipt of the Grievance or Appeal was mailed to the Enrollee;

11.1.17.6 A general description of the reasons for the Complaint, Grievance, Service Authorization Request or Appeal;

11.1.17.7 Date of each review or, if applicable, review meeting, with, if applicable, the resolution at each level of the Grievance, Service Authorization Request or Appeal and applicable date of resolution; and

11.1.17.8 Date Notice of Disposition or Notice of Adverse Benefit Determination was mailed to the Enrollee.

11.1.18 Contractor shall have sufficient staffing to timely address Complaints, Grievances, Service Authorization Requests, Appeals, Provider disputes and to provide attorney representation or the attendance of other required personnel at administrative hearings, when applicable.

11.2 Complaint

11.2.1 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.

11.2.2 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.

11.2.3 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.

11.2.4 The Contractor shall have procedures in place to provide Notice of Dispositions of Complaints to all Enrollees in their primary language.

11.2.5 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.

11.2.6 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.

11.3 Grievance Process

11.3.1 An Enrollee may file a Grievance with the Contractor or with the Office of the Patient's Advocate of Puerto Rico either orally or in writing.

11.3.2 An Enrollee may file a Grievance at any time.

11.3.3 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.

11.3.4 Enrollee must be provided a reasonable opportunity, in person and in writing, to present evidence and testimony and make legal and factual arguments. The Contractor shall inform the Enrollee of the limited time available to provide evidence sufficiently in advance of the resolution timeframe for expedited review.

11.3.5 The Contractor shall provide written notice of the disposition of the Grievance as expeditiously as the Enrollee's health condition requires, but no later than thirty (30) Calendar Days from the date the Contractor receives the Grievance. If the Grievance involves the Contractor's decision to invoke an extension relating to a Service Authorization Request or Appeal, or the Contractor's refusal to grant an Enrollee's request for an expedited organization determination or Appeal, the Contractor must respond within twenty-four (24) hours of the Grievance. If the Grievance originated from a Complaint that was not resolved within the seventy-two (72) hour timeframe set forth in Section 11.2.5, the time already spent by the Contractor to resolve the original Complaint must be deducted from this thirty (30) Calendar Day timeframe.

11.3.6 All Grievances submitted in writing must be responded to in writing. Grievances submitted orally may be responded to either orally or in writing, unless the Enrollee requests a written response. Any Grievances related to

quality of care must be responded to in writing, regardless of how the Grievance was filed.

11.3.7 The Notice of Disposition shall include the following:

11.3.7.1 The resolution of the Grievance,

11.3.7.2 The basis for the resolution, and

11.3.7.3 The date of the resolution.

11.3.8 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:

11.3.8.1 Make reasonable efforts to promptly notify Enrollee of the reasons for the delay;

11.3.8.2 Send the Enrollee written notice of the reason for the delay immediately, but no later than within two (2) Calendar Days of making the decision to extend the timeframe; and

11.3.8.3 Inform the Enrollee of the right to file a Grievance if the Enrollee disagrees with the decision to extend the timeframe.

11.4 Service Authorization Request Process

11.4.1 Contractor must adopt and implement a process for Enrollees to submit a Service Authorization Request. The process to make a Service Authorization Request must be the same for all covered benefits.

11.4.2 The Enrollee may submit a Service Authorization Request orally or in writing, except for requests for payment, which must be in writing unless the Contractor has implemented a voluntary policy of accepting payment requests orally.

11.4.3 The Enrollee may submit an expedited Service Authorization Request orally or in writing. The Contractor must complete an expedited Service Authorization Request when the Contractor determines, or the Provider indicates, that taking the time for a standard resolution could seriously jeopardize the Enrollee's life, physical or mental health, or ability to attain, maintain or regain maximum function.

11.4.3.1 If Contractor denies the request for expediting the Service Authorization Request, Contractor must:

11.4.3.1.1 Automatically transfer a request to the standard timeframe and make the determination within the timeframe set forth in Section 11.4.5.2. Those timeframes begin with the day the Contractor received the request for an expedited Service Authorization Request.

11.4.3.1.2 Give Enrollee prompt oral notice of the denial and transfer and deliver, within three (3) calendar days, a written letter that:

11.4.3.1.2.1 Contractor will process the request using the fourteen (14) day timeframe set forth for standard Service Authorization Requests.

11.4.3.1.2.2 Informs the Enrollee of the right to file an expedited Grievance if he or she disagrees with Contractor's decision not to expedite;

11.4.3.1.2.3 Informs the Enrollee of the right to resubmit an expedited Service Authorization Request with any physician's support; and

11.4.3.1.2.4 Provide instructions about the Grievance process and its timeframes.

11.4.4 If Contractor expects to issue a partial or full Adverse Benefit Determination based on medical necessity following the initial review of the request, the case must be reviewed by a Provider with sufficient medical and other expertise, including knowledge of Medicare and Medicaid coverage criteria, before the Adverse Benefit Determination is issued. Such Provider must have a current and unrestricted license to practice within the scope of his or her profession.

11.4.5 Pursuant to 42 CFR 422.631(d), the Contractor shall provide a written notice of the Adverse Benefit Determination to the Enrollee within required timeframes 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.

11.4.5.1 In cases where a previously approved service is being reduced, suspended or terminated, Contractor must send notice of its Adverse Benefit Determination at least ten (10) days before the date the reduction, suspension or termination becomes effective, except where an exception is permitted under 42 CFR 431.213 and 431.214.

11.4.5.2 In all other cases that are not expedited Service Authorization Requests, Contractor must send notice of its determination as

expeditiously as the Enrollee's health condition requires, but no later than fourteen (14) Calendar Days from receipt of the Service Authorization Request.

11.4.5.3 If a determination is not reached within the timeframes set forth in this section, that will constitute an Adverse Benefit Determination and Contractor must send notice of its determination on the date that the timeframes expire. Such notice must describe all applicable Medicare and Medicaid Appeal rights and conform with the requirements set forth in Section 11.4.6.

11.4.6 The Contractor's notice to Enrollees of its determination on a Service Authorization Request must meet the language and format requirements in Section 4.2 and 4.3, must be sent in accordance with the timeframes described in Section 11.4.5, and must contain the following.

11.4.6.1 The Contractor's determination on the Service Authorization Request;

11.4.6.2 The date the determination was made and the date the determination will take effect;

11.4.6.3 Reasons for the determination,

11.4.6.4 The Enrollee's right to file an Appeal through the Contractor's internal Grievance and Appeal System, the ability for someone else to file an Appeal on the Enrollee's behalf, and the procedure for filing an Appeal;

11.4.6.5 The circumstances under which expedited review is available and how to request it; and

11.4.6.6 If applicable, the Enrollee's right to have Benefits continue pending resolution of the Appeal with the Contractor, in accordance with 42 CFR 422.632.

11.4.7 The Contractor shall send notice of its determination on a Service Authorization Request within the following timeframes:

11.4.7.1 For termination, suspension, or reduction of previously authorized Covered Services, at least ten (10) Calendar Days before the date of the Adverse Benefit Determination, except where one or more of the following exceptions apply, in which case the notice may be sent no later than the date of the Adverse Benefit Determination:

11.4.7.1.1 The Contractor has factual Information confirming the death of an Enrollee.

11.4.7.1.2 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.

11.4.7.1.3 The Enrollee has been admitted to an institution where he or she is ineligible for further services.

11.4.7.1.4 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).

11.4.7.1.5 The Enrollee's Provider prescribes a change in the level of medical care.

11.4.7.1.6 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.

11.4.7.1.7 The date of the Adverse Benefit Determination will occur in less than ten (10) Calendar Days, due to a transfer or discharge from a long-term facility under the circumstances set forth under 42 CFR 483.15(c)(4)(ii) and (c)(8), or because 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

11.4.7.1.8 The Enrollee is accepted for Medicaid services by another local jurisdiction, state, territory or commonwealth.

11.4.7.1.9 The date of the Adverse Benefit Determination will occur in less than five (5) Calendar Days, because 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.

11.4.7.2 For expedited Service Request Authorizations, as expeditiously as the Enrollee's health condition requires, but not later than seventy-two (72) hours after receipt of the request

11.4.7.3 For all other determinations, as expeditiously as the Enrollee's health condition requires, but no later than fourteen (14) Calendar Days from the receipt of the Service Authorization Request.

11.4.8 Contractor may extend the timeframe for a standard or expedited Service Authorization Request by up to fourteen (14) Calendar Days if the Enrollee or Provider requests the extension or the Contractor demonstrates (to the satisfaction of ASES, upon its request) that the delay is in the Enrollee's interest and there is need for additional information and a reasonable likelihood that receipt of such information would lead to approval of the request. . If the Contractor extends the timeframe, it shall, for any extension not requested by the Enrollee:

11.4.8.1 Give the Enrollee written notice of the reason for the delay as expeditiously as the Enrollee's health condition requires but no later than upon expiration of the extension;

11.4.8.2 Inform the Enrollee of the right to file a Grievance if the Enrollee disagrees with the decision to extend the timeframe; and

11.4.8.3 Resolve the Service Authorization Request as expeditiously as the Enrollee's health condition requires, and no later than the date the extension expires.

11.4.8.4 For authorization decisions not reached within the timeframes required 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. Such notice must describe all applicable Medicare and Medicaid Appeal rights and conform with the requirements set forth in Section 11.4.6.

11.4.9 Failure of Contractor to adhere to notice and timing requirements for Service Authorization Requests constitutes an Adverse Benefit Determination for the Enrollee, so that Enrollee may request an Appeal.

11.5 Appeal Process

11.5.1 The Enrollee may file an Appeal either orally or in writing.

11.5.1.1 Oral inquiries seeking to appeal an Adverse Benefit Determination are treated as Appeals (to establish the earliest possible filing date for the Appeal).

11.5.2 Upon Enrollee's request, Contractor must provide the Enrollee or Authorized Representative with the Enrollee's case file, including medical records, other documents and records, and any new or additional evidence considered, relied upon, or generated by Contractor or at Contractor's direction in connection with the Appeal. This information must be provided free of charge and sufficiently in advance of the resolution timeframe for the Appeal.

11.5.3 Only one (1) level of Appeal is permitted before proceeding to an Administrative Law Hearing.

11.5.4 The Enrollee may file an Appeal to the Contractor within sixty (60) Calendar Days from the date on the Contractor's notice of the Adverse Benefit Determination.

11.5.4.1 The timeframe for filing an Appeal request may be extended for good cause. If the timeframe in which to file an Appeal request has expired, a party to the Service Authorization Request determination or a physician acting on behalf of an Enrollee may file a written Appeal request with the Contractor. This request must state why the Appeal request was not filed on time.

11.5.5 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.

11.5.6 The Contractor shall acknowledge receipt of each Appeal in writing to the Enrollee (and the Provider, if the Provider filed the Appeal on the Enrollee's behalf) within ten (10) Business Days of receipt.

11.5.7 The Appeals process shall provide the Enrollee a reasonable opportunity, in person and in writing, to present evidence and testimony and make legal and factual arguments. The Contractor shall inform the Enrollee of the limited time available to provide evidence sufficiently in advance of the resolution timeframe for expedited review.

11.5.8 If deciding an Appeal of a denial that is based on a lack of medical necessity, before the Notice of Disposition is issued, the individual making the Appeal determination must be a Provider who has the appropriate clinical expertise in treating the Enrollee's condition or disease, and knowledge of Medicare and Medicaid coverage criteria.

11.5.9 The Contractor shall establish and maintain an expedited review process for Appeals, subject to prior written approval by ASES, when the Contractor determines (for a request from the Enrollee) or the Provider indicates (in making the request on the Enrollee's behalf or supporting the Enrollee's request) 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 may file an expedited Appeal either orally or in writing.

11.5.9.1 If Contractor denies the request for expediting the Appeal request, Contractor must:

11.5.9.1.1 Automatically transfer a request to the standard timeframe and make the determination within the timeframe set forth in Section 11.5.10.1. Those timeframes begin with the day the Contractor received the request for an expedited Appeal.

11.5.9.1.2 Give Enrollee prompt oral notice of the denial and transfer and deliver, within two (2) Calendar Days, a written letter that:

11.5.9.1.2.1 Includes the reason for the denial;

11.5.9.1.2.2 Informs the Enrollee of the right to file an expedited Grievance if he or she disagrees with Contractor's decision not to expedite;

11.5.9.1.2.3 Informs the Enrollee of the right to resubmit an expedited Appeal with any physician's support; and

11.5.9.1.2.4 Provide instructions about the Grievance process and its timeframes.

11.5.9.2 If Contractor must receive medical information from non-Contracted Providers, the Contractor must request the necessary information within twenty-four (24) hours of the initial request for an expedited Appeal. Non-Contract Providers must make reasonable and diligent efforts to expeditiously gather and forward all necessary information to assist Contractor in meeting the required timeframe. Contractor is responsible for meeting timeframe and notice requirements for Appeals regardless of whether information must be requested from non-Contract Providers.

11.5.10 The Contractor shall resolve each Appeal and provide written Notice of the Disposition of the Appeal as expeditiously as the Enrollee's health condition requires but no more than:

11.5.10.1 For standard Appeals, thirty (30) Calendar Days from the date the Contractor receives the Appeal.

11.5.10.2 For expedited Appeals, seventy-two (72) hours after the Contractor receives the Appeal. In addition to required written notice, Contractor must make reasonable efforts to provide prompt oral notice of the expedited resolution to the Enrollee.

11.5.11 The Contractor may extend the timeframe for standard or expedited resolution of the Appeal by up to fourteen (14) Calendar Days if the Enrollee or Provider requests the extension or the Contractor demonstrates (to the satisfaction of ASES, upon its request) that the delay is in the Enrollee's interest and there is need for additional information and a reasonable likelihood that receipt of such information would lead to approval of the request. If the Contractor extends the timeframe, it shall, for any extension not requested by the Enrollee:.

11.5.11.1 Make reasonable efforts to provide Enrollee prompt oral notice of the delay;

11.5.11.2 Give the Enrollee written notice of the reason for the delay within two (2) Calendar Days of making the decision to extend the timeframe to resolve the Appeal; and

11.5.11.3 Inform the Enrollee of the right to file an expedited Grievance if the Enrollee disagrees with the decision to extend the timeframe.

11.5.12 The Contractor shall provide written Notice of Disposition of an Appeal to the Enrollee . The written notice of Disposition shall be in a format and language that, at a minimum, meets applicable notification standards and include:

11.5.12.1 The resolution of and basis for the Appeal determination and the date it was completed; and

11.5.12.2 For decisions not wholly in the Enrollee's favor:

11.5.12.2.1 An explanation of the Administrative Law Hearing process and Medicare Appeals process as the next level of appeal available;

11.5.12.2.2 How to request an Administrative Law Hearing;

11.5.12.2.3 How the Enrollee can obtain assistance in pursuing an Administrative Law Hearing; and

11.5.12.2.4 The right to request and receive Medicaid-covered Benefits pending an Administrative Law Hearing.

11.5.13 The Contractor shall also provide a copy of the written Notice of Disposition to ASES within two (2) Business Days of the resolution.

11.5.14 Failure of Contractor to adhere to notice and timing requirements for Appeals constitutes an adverse determination for the Enrollee, so that Enrollee may request an Administrative Law Hearing, and, for Medicare benefits, the Contractor must forward the case to the independent review entity.

11.5.15 The Appeal determination of the Contractor is binding on all parties unless it is appealed to the next applicable level. In the event the Enrollee pursues the next level of appeal in multiple forums and receives conflicting decisions, the Contractor is bound by, and must act in accordance with, decisions favorable to the Enrollee.

11.6 Administrative Law Hearing

11.6.1 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 Complaints, Grievance, Service Authorization Request 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.

11.6.2 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.

11.6.3 If the Contractor makes 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.

11.6.4 ASES shall permit the Enrollee to request an Administrative Law Hearing within one hundred and twenty (120) Calendar Days of the Notice of Disposition of the Appeal.

11.6.5 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.

11.6.6 The Administrative Law Hearing resolution shall be:

11.6.6.1 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).

11.6.6.2 For an expedited resolution: within three (3) Business Days from agency receipt of an Administrative Law Hearing request for a denial of a service.

11.6.7 The Contractor shall comply with all determinations rendered as a result of Administrative Law Hearings. Nothing in this Section 11.6 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.

11.6.8 The decision issued as a result of the Administrative Law Hearing is subject to review before the Court of Appeals of Puerto Rico.

11.6.9 The Contractor shall comply with all determinations rendered as a result of Administrative Law Hearings. Nothing in this Section 11.6 shall limit the remedies available to the 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.

11.7 Continuation of Benefits while the Appeal and Administrative Law Hearing are Pending

11.7.1 As used in this Section, "timely" filing means filing on or before the later of the following:

11.7.1.1 Within ten (10) Calendar Days of the Contractor sending notice of the Adverse Benefit Determination or Notice of Disposition of Appeal, as applicable; or

11.7.1.2 The intended effective date of the Contractor's proposed adverse determination.

11.7.2 The Contractor shall continue the Enrollee's Benefits if the Enrollee timely files the Appeal in accordance with Section 11.5.4 ; the Appeal involves the termination, suspension, or reduction of a previously authorized services; 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.

11.7.3 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:

11.7.3.1 The Enrollee withdraws the Appeal or request for the Administrative Law Hearing;

11.7.3.2 The Enrollee receives a determination on Appeal or at the Administrative Law Hearing that is unfavorable to the Enrollee related to the continued benefit;

11.7.3.3 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 or Notice of Disposition of an Appeal, as applicable

11.7.3.4 The time period or service limits of a previously authorized service has been met.

11.7.4 Neither Contractor nor ASES may recover from the Enrollee the cost of the services furnished to the Enrollee while the Appeal or Administrative Law Hearing was pending, to the extent that such services were furnished solely because of the requirements of this Section. If an Enrollee requests continuation of Medicaid benefits after a final level of appeal, Puerto Rico's rules governing recovery of costs apply for costs incurred for services furnished pending appeal subsequent to the date of the Appeal or Administrative Law Hearing decision.

11.7.5 If at the Appeal or Administrative Law hearing stage, a decision to deny, limit, or delay services that were not furnished while the Appeal or Administrative Law Hearing was pending were reversed, 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.

11.7.6 If at the Appeal or Administrative Law hearing stage a decision to deny authorization of services, and the Enrollee received the disputed services while the Appeal or Administrative Law Hearing was pending were reversed, the Contractor shall pay for those services. The Contractor shall submit to ASES evidence of compliance.

11.8 Reporting Requirements

11.8.1 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.

11.8.2 ASES may publicly disclose summary Information regarding the nature of Complaints, Grievances, and Appeals and related dispositions or resolutions in consumer Information materials.

11.8.3 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.

11.9 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 5.4 of this Contract.

ARTICLE 12 ADMINISTRATION AND MANAGEMENT

12.1 General Provisions

12.1.1 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.

12.1.2 All costs and expenses related to the administration and management of this Contract shall be the responsibility of the Contractor.

12.2 Data Certification

12.2.1 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:

12.2.1.1 To the accuracy, completeness and truthfulness of the Data; and

12.2.1.2 To the accuracy, completeness, and truthfulness of the documents specified by ASES.

12.2.2 The Contractor shall submit the certification concurrently with the certified Data.

ARTICLE 13 PROVIDER PAYMENT MANAGEMENT

13.1 General Provisions

13.1.1 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 13 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 13.

13.1.2 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).

13.1.3 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 14. 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.

13.1.4 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.

13.1.5 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.

13.2 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 13.10.2 of this Contract.

13.3 The Contractor shall generate explanations of benefits and remittance advices in accordance with ASES standards for formatting, content, and timeliness.

13.4 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.

13.5 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.

13.6 Payment Schedule

13.6.1 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 Appendix L to this Contract.

13.6.2 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 19.1.1 of the Contract.

13.7 Required Claims Processing Reports

13.7.1 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.

13.7.2 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.

13.7.3 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.

13.8 Submission of Encounter Data

13.8.1 Providers shall furnish Encounter Data to the Contractor on a monthly basis. The Data shall be submitted regardless of the payment arrangement, capitated 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 Capitated basis, must be submitted with

the paid field indicating the allowed amount, even if the amount is zero (0) dollars.

13.9 Relationship with Pharmacy Benefit Manager (PBM)

13.9.1 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 5.3.8.

13.9.2 To facilitate Claims processing, the Contractor shall send to the PBM, on a Daily Basis, the Enrollee Data described in Section 5.3.8.

13.10 Timely Payment of Claims

13.10.1 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. Provider Contracts shall include the following provisions for timely payment of Clean Claims.

13.10.1.1 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.

13.10.1.2 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.

13.10.1.3 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 13.10, and interest shall be paid together with the claim.

13.10.2 An Unclean Claim is any Claim that falls outside the definition of Clean Claim in Section 13.10.2.1. The Contractor shall include the following provisions in its Provider Contracts for timely resolution of Unclean Claims.

13.10.2.1 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.

13.10.2.2 Of the remaining ten percent (10%) of total Unclean Claims that may remain outstanding after ninety (90) Calendar Days,

13.10.2.2.1 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

13.10.2.2.2 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).

13.10.3 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.

13.10.4 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).

13.10.5 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 7.1), Claims coding and processing guidelines for the applicable Provider type, and the definition of a Clean Claim, as requested in this Article 13, to be applied.

13.10.6 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.

13.11 Contractor Denial of Claims and Resolution of Contractual and Claims Disputes

13.11.1 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 Section 13.10.

13.11.2 Claims suspended for additional Information must be closed (paid or denied) such that compliance with the timely payment rules outlined in Section 13.10 is achieved.

13.11.3 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 13.11.1, the Contractor shall pay or deny the Claim within thirty (30) Calendar Days of receipt of the requested Information.

13.11.4 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.

13.11.5 In situations in which the Contractor denies a Provider's Claim for services, and the Provider disputes the denial, as provided in Section 13.11.6, the Contractor shall not withhold payment pending final resolution of the dispute, but instead shall pay the Claim within thirty (30) Calendar Days of the Contractor's receipt of the Provider's written complaint (see Section 13.11.6). The Contractor shall seek recoupment of the paid Claim only in the event that the dispute is resolved, at the level of the dispute resolution described in Section 13.11.6, in the Contractor's favor.

13.11.6 Provider Dispute Resolution System

13.11.6.1 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 or Appeals filed by Providers on behalf of Enrollees pursuant to Article 11 of this Contract.

13.11.6.2 For any dispute between the Provider and Contractor arising under the Provider Contract, the Contractor shall implement an internal dispute resolution system, which shall include the

opportunity for an aggrieved Provider to submit a timely written complaint to the Contractor. The Contractor shall issue a written decision on the Provider's complaint within fifteen (15) Calendar Days of receipt of the Provider's written complaint. A Contractor's written decision that is in any way adverse to the Provider shall include an explanation of the grounds for the decision and a notice of the Provider's right to and procedures for an Administrative Law Hearing within ASES.

13.11.6.3 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.

13.11.6.4 *Judicial Review.* A decision issued as a result of the Administrative Law Hearing shall be subject to review before the Court of Appeals of the Commonwealth.

13.12 Contractor Recovery from Providers

13.12.1 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.

13.12.2 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.

13.13 ASES Review of Contractor, Subcontractor, and Provider Use of Puerto Rico and Federal Funds

13.13.1 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 Medicare Platino 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.

13.14 ASES Recovery from Contractor

13.14.1 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 14 INFORMATION MANAGEMENT AND SYSTEMS

14.1 General Provisions

14.1.1 The Contractor shall have Information management processes and Information Systems (hereafter referred to as Systems) that enable it to meet Medicare Platino and 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.

14.1.2 The Contractor shall file a statement of certification with the U.S. Department of Health and Human Services (HHS) no later than start of this Contract, certifying that the Contractor's Data and Systems are in compliance with the standards and operating rules for EFT, eligibility, Claim status and health care payment/remittance advice transactions, in accordance with Section 1104 of the PPACA and associated regulations.

14.1.3 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.

14.1.4 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:

14.1.4.1 Changes in pricing methodology;

14.1.4.2 Rate changes;

14.1.4.3 Eligibility criteria changes;

14.1.4.4 Changes in Utilization Management criteria;

14.1.4.5 Additions and deletions of Provider types; and

14.1.4.6 Additions and deletions of procedure, diagnosis and other service codes.

14.1.4.7 Changes in the Enrollment methodology.

14.1.5 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.

14.1.6 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 Medicare Platino MAOs.

14.1.7 The Contractor shall provide a continuously available electronic mail communication link (E-mail system) with ASES. This system shall be:

14.1.7.1 Available from the workstations of the designated Contractor contacts; and

14.1.7.2 Capable of attaching and sending documents created using software products other than Contractor systems, including the Government's currently installed version of Microsoft Office and any subsequent upgrades as adopted.

14.2 Global System Architecture and Design Requirements

14.2.1 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.

14.2.2 The Contractor's Systems shall meet Federal and industry standards of architecture, including but not limited to the following requirements:

14.2.2.1 Conform to HIPAA standards for Data and document management;

14.2.2.2 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

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a methodology to be developed jointly by and mutually agreed upon by the Contractor and ASES; and

14.2.2.3 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.

14.2.3 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 Government systems that adhere to a service-oriented architecture.

14.2.4 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:

14.2.4.1 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;

14.2.4.2 Have the date and identification "stamp" displayed on any on-line inquiry;

14.2.4.3 Have the ability to trace Data from the final place of recording back to its source Data file and/or document shall also exist;

14.2.4.4 Be supported by listings, transaction reports, update reports, transaction logs, or error logs;

14.2.4.5 Facilitate auditing of individual Claim records as well as batch audits; and

14.2.4.6 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.

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14.2.5 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.

14.2.6 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.

14.2.7 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.

14.2.8 The Contractor shall assure that all Contractor staff is trained in all HIPAA requirements, as applicable.

14.2.9 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.

14.3 System and Data Integration Requirements

14.3.1 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 Appendix K to this Contract.

14.3.2 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.

14.3.2.1 The Contractor will be required to perform any necessary changes to update interfaces to ASES's systems, including those required by the expected implementation of Medicaid Management Information System (MMIS) as well as new Eligibility and Enrollment processes. This interface changes may require changes in the Contractors' core systems.

14.3.3 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 Appendix K to this Contract. The Contractor shall make changes or corrections to any systems, processes or Data

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transmission formats as needed to comply with Encounter Data quality standards as originally defined or subsequently amended.

14.3.4 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.

14.3.5 The Contractor's System(s) shall possess mailing address standardization functionality in accordance with USA Postal Service conventions.

14.3.6 To comply with MAGI requirements, the Contractor must update its Information Systems in accordance with the procedures and timelines set forth in Appendix K to this Contract and any other subsequent guidance issued by ASES.

14.4 System Access Management and Information Accessibility Requirements

14.4.1 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:

14.4.1.1 Restrict access to information on a "need-to-know" basis, e.g. users permitted inquiry privileges only will not be permitted to modify information;

14.4.1.2 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

14.4.1.3 Restrict attempts to access system functions to three (3), with a system function that automatically prevents further access attempts and records these occurrences.

14.4.2 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.

14.4.3 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.

14.4.4 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.

14.5 Systems Availability and Performance Requirements

14.5.1 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.

14.5.2 The Contractor shall ensure that at a minimum all non-critical system functions and information are available to the applicable system users between the hours of 7:00 a.m. and 7:00 p.m. Monday through Friday (Atlantic Time).

14.5.3 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.

14.5.4 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).

14.5.5 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.

14.5.6 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.

14.5.7 The following rules govern unscheduled System Unavailability.

14.5.7.1 CCE Functions

14.5.7.1.1 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.

14.5.7.1.2 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.

14.5.7.2 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.

14.5.7.3 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:

14.5.7.3.1 Within four (4) hours of the official declaration of Unscheduled System Unavailability, when unavailability occurs during business hours, and

14.5.7.3.2 Within two (2) hours of the start of the next Business Day, when unavailability occurs during non-business hours.

14.5.8 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 Enrollees and services. For functions that do not affect 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.

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14.5.9 The Contractor shall not be responsible for the availability and performance of systems and telecommunications technologies outside of the Contractor's Span of Control.

14.5.10 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.

14.5.11 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.

14.5.12 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 14.5 of the Contract. The results of these tests shall be reported to ASES within thirty (30) Calendar Days of completion of said tests.

14.5.13 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.

14.6 System Testing and Change Management Requirements

14.6.1 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.

14.6.2 The Contractor shall respond to ASES reports of System problems not resulting in System Unavailability according to the following timeframes:

14.6.2.1 Within five (5) Calendar Days of receipt, the Contractor shall respond in writing to notices of System problems.

14.6.2.2 Within fifteen (15) Calendar Days, the correction will be made, or a requirements analysis and specifications document will be due.

14.6.3 The Contractor shall correct the deficiency by an effective date to be determined by ASES.

14.6.4 The Contractor's Systems will have a system-inherent mechanism for recording any change to a software module or subsystem.

14.6.5 The Contractor shall put in place procedures and measures for safeguarding ASES from unauthorized modifications to the Contractor's Systems.

14.6.6 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).

14.6.7 The Contractor shall work with ASES pertaining to any testing initiative as required by ASES.

14.6.8 The Contractor shall provide sufficient System access to allow verification of System functionality, availability and performance by ASES during the times required by ASES during the implementation and duration of the Contract Term.

14.7 System Security and Information Confidentiality and Privacy Requirements

14.7.1 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.

14.7.2 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.

14.7.3 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.

14.7.4 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.

14.7.5 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.

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14.7.6 The Contractor shall ensure compliance with:

14.7.6.1 42 CFR Part 431 Subpart F (confidentiality of information concerning applicants and enrollees of public medical assistance programs);

14.7.6.2 42 CFR Part 2 (confidentiality of alcohol and drug abuse records); and

14.7.6.3 Special confidentiality provisions in Puerto Rico or Federal law related to people with HIV/AIDS and mental illness.

14.7.7 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.

14.8 Information Management Process and Information Systems Documentation Requirements

14.8.1 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.

14.8.2 The System User Manuals shall contain information about, and instructions for, using applicable System functions and accessing applicable system Data.

14.8.3 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.

14.8.4 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.

14.8.5 ASES reserves the right to audit the Contractor's policies and procedures manuals and protocols compliance related to its Information Systems.

14.9 Reporting Functionality Requirements

14.9.1 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.

14.9.2 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.

14.9.3 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.

14.9.4 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.

14.10 Disaster Recovery, Disaster Declaration, Data Content Delivery to ASES

14.10.1 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 Contractor. Contractor shall maintain reasonable safeguards against the destruction, loss, intrusion and unauthorized alteration of printed materials and data in its possession. At a minimum, 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.

14.10.2 Both Parties recognize that a failure by the Contractor's Network may adversely impact ASES business and operations, as the responsible party for the Medicare Platino Program. 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 30 of this Contract.

14.10.3 Within five (5) Calendar Days upon ASES's request, 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.

~~14.11~~ Health Information Organization (HIO) and Health Information Exchange (HIE) Requirements

14.11.1 The Contractor shall initiate the active participation in any Health Information Organization (HIO) that offers Health Information Exchange services, in order to integrate the Enrollees' Personal 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.

14.11.2 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 Government public health programs, to avoid duplicate efforts and to ensure integration and support of a unified approach to information exchange for the Medicare Platino Program.

14.11.3 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.

14.11.4 The Contractor shall work with Network Providers and staff to encourage-an active participation in an HIO.

ARTICLE 15 REPORTING

15.1 General Requirements

15.1.1 ASES may, at its discretion, require the Contractor to submit additional reports both ad hoc and recurring. 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.

15.1.2 The Contractor shall timely and accurately submit all reports to ASES in the manner and format prescribed by ASES. 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. "Accurately" 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.

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15.1.3 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.

15.1.4 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.

15.1.5 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.

15.1.6 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).

15.1.7 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.

15.1.8 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.

15.2 Specific Requirements

15.2.1 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.

15.2.1.1 The Contractor shall submit a quarterly *Fraud, Waste, and Abuse Report* that provides 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 past three (3) years (whichever is greater); (vii) disciplinary measures imposed, if any; and (viii) legal disposition of the case. The Contractor shall also include in the report as a qualitative analysis; information regarding investigative activities, corrective actions, prevention efforts and the results of prevention efforts.

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15.2.1.2 The Contractor shall submit *Encounter Data* in a standardized format as specified by ASES and 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.

15.2.1.3 The Contractor shall submit within thirty (30) Business Days of the close of the quarter a *National Provider List (NPL) Report* that provides information on Network Providers of Medicare Platino Covered Services who have executed a provider agreement with the Contractor to serve Medicare Platino Enrollees.

15.2.1.4 The Contractor shall submit a quarterly *Grievances and Appeals Report* within thirty (30) Business Days of the close of the quarter. Relevant information includes all Provider and Enrollee Grievances (informal and formal), Appeals, Notices of Actions 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.

15.2.1.5 The Contractor shall submit an annual *QAPI Program Report* that shall include information on all quality assessment and performance improvement projects, including a program overview, methodology, performance measures and analysis of the respective programs.

15.2.1.6 The Contractor shall submit a quarterly *Unaudited Financial Statement Report* no later than thirty (30) Calendar Days after the close of each quarter. The Contractor shall submit (i) a separate accounting of activities relating to each Service Region, and (ii) a consolidated section accounting for all Medicare Platino Program activities.

15.2.1.7 The Contractor shall submit an annual *Physician Incentive Plan Report* that provides adequate information about the Contractor's monitoring activities for the Physician Incentive Plan as described in Section 20.4. The Contractor shall submit, at a minimum: (i) description of the Physician Incentive Plan; (ii) description of incentive arrangements; (iii) description and Data on percentage of Withhold or bonus attached to the plan; and (iv) the number of Providers participating in the plan and the number of Enrollees affected.

15.2.1.8 The Contractor shall submit annual *Audited Financial Statements*. The Contractor shall provide ASES with copies of its audited financial statements following Generally Accepted Accounting Principles ("GAAP") 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 fiscal year during the Contract Term, regarding the financial operations related to the Medicare Platino Program. The statements shall provide (i) a separate accounting of activities relating to each Service Region, and (ii) a consolidated section accounting for all Medicare Platino Program activities. These reports shall be submitted to ASES no later than ninety (90) Calendar Days after the close of the fiscal year.

15.2.1.9 The Contractor shall submit an annual *Disclosure of Information on Annual Business Transactions*, which shall include information on any loans, business transactions, and other special arrangements between the Contractor and any Network Provider, Subcontractor, or other Party in Interest, as defined by Section 1318(b) of the Public Health Service Act.

15.2.1.10 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).

15.2.1.11 The Contractor shall submit an annual *PMPM Utilization Report* in a format to be determined by ASES.

ARTICLE 16 ENFORCEMENT – INTERMEDIATE SANCTIONS

16.1 General Provisions

16.1.1 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. 134, for Contractor's failure to comply with the terms and conditions of this Contract.

16.1.2 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 30.1.1 of this Contract, ASES may impose intermediate sanctions against the Contractor for any such default in accordance with this Article 16. ASES may impose intermediate sanctions against the Contractor for any such default in accordance with this Article 16. 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.

16.1.3 Notwithstanding any intermediate sanctions imposed upon the Contractor under this Article 16, other than Contract termination, the Contractor shall continue to provide all Covered Services and other Benefits under this Contract.

16.1.4 ASES shall have the right impose the following intermediate sanctions:

16.1.4.1 **Civil Money Penalty** – ASES may impose a civil money penalty for the following categories of events.

16.1.4.1.1 **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:

16.1.4.1.1.1 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.

16.1.4.1.1.2 The misrepresentation or falsification of information submitted to ASES and/or CMS.

16.1.4.1.2 **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:

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16.1.4.1.2.1 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.

16.1.4.1.2.2 Misrepresentation or falsification by the Contractor of information that it furnishes to an Enrollee, Potential Enrollee, or Provider.

16.1.4.1.2.3 Failure by the Contractor to comply with the requirements for Physician Incentive Plans, as set forth in 42 CFR 422.208 and 422.210.

16.1.4.1.2.4 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.

16.1.4.1.3 **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.

16.1.4.2 **Temporary Management** - ASES may appoint temporary management for the Contractor's Medicare Platino operations, as provided in 42 C.F.R. 438.702 and 42 C.F.R. 438.706 as a result of Contractor's:

16.1.4.2.1 Continued egregious behavior, including but not limited to behavior described in Categories 1 through 3 of this Article 16;

16.1.4.2.2 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;

16.1.4.2.3 Actions which have caused substantial risk to an Enrollee's health; and/or

16.1.4.2.4 Behavior that has led ASES to determine that temporary management is necessary to ensure the health of

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Contractor's Enrollees while improvements to remedy Category 1 through 3 violations are being made, or until the Contractor's orderly termination or reorganization.

16.1.4.2.5 If temporary management is appointed for any reason specified in Sections 16.1.4.2 above, such temporary management will cease once ASES has, in its discretion, determined that the sanctioned behavior will not re-occur.

16.1.4.3 **Enrollment Termination** – ASES may grant Enrollees the right to terminate Enrollment without cause, and notify the affected Enrollees of their right to disenroll when:

16.1.4.3.1 The Contractor has engaged in continued egregious behavior, including but not limited to behavior described in Categories 1 through 3 of this Article 16;

16.1.4.3.2 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;

16.1.4.3.3 The Contractor has taken actions that have caused substantial risk to Enrollees' health;

16.1.4.3.4 ASES determines that temporary management is necessary or convenient to ensure the health of the Contractor's Enrollees; or

16.1.4.3.5 ASES determines that such Enrollment termination is necessary or appropriate to remedy Category 1 through 3 violations.

16.1.4.4 **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.

16.1.4.5 **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.

16.1.4.6 **Mandatory Imposition of Certain Intermediate Sanctions** – ASES shall impose the temporary management and Enrollment

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suspension intermediate sanctions described in Sections 16.1.4.2 and 16.1.4.3 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.

16.1.4.7 Subject to Article 30 of this Contract, in lieu of imposing a sanction allowed under this Article 16, ASES may terminate this Contract, and place Enrollees with a different Contractor or provide Medicare Platino 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 16 to address a failure specified in Category 1 or Category 2 of this Article 16 are not implemented to ASES's approval or if such failure continues or is not corrected, to ASES's satisfaction.

16.2 Notice of Administrative Inquiry

16.2.1 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 16. This notice of administrative inquiry shall include the following:

16.2.1.1 A brief description of the facts;

16.2.1.2 Citations to Puerto Rico and Federal laws and regulations, or Contract provisions that the Contractor has breached;

16.2.1.3 The Contractor's non-compliance with Puerto Rico and Federal laws and regulations or Contract provisions as referenced in the Contract;

16.2.1.4 The Contractor's breach of applicable intermediate sanction Contract provisions;

16.2.1.5 ASES's authority to determine and impose intermediate sanctions under this Article 16;

16.2.1.6 The amount of potential, or Contractor's exposure to intermediate sanctions, when they will be imposed and how they were computed; and

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16.2.1.7 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 16.

16.2.2 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.

16.2.3 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 16.4, and would be considered premature rendering any administrative examiner without jurisdiction to review the matter.

16.2.4 If the Contractor fails to comply with any material provision under a Corrective Action Plan submitted to ASES pursuant to Section 16.2.2 above, ASES may impose:

16.2.4.1 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

16.2.4.2 The applicable intermediate sanction for any or all behavior that resulted in the Contractor's submission of the Corrective Action Plan pursuant to Section 16.2.2 above.

16.3 Notice of Imposition of Intermediate Sanctions

16.3.1 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:

16.3.1.1 A brief description of the facts;

16.3.1.2 Citations to Puerto Rico and Federal laws and regulations, or Contract provision(s) that the Contractor has breached;

16.3.1.3 ASES's determination to impose intermediate sanctions;

16.3.1.4 Intermediate sanctions imposed and their effective date;

16.3.1.5 Methodology for the civil money penalty calculation or determination of the intermediate sanctions; and

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16.3.1.6 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.

16.3.2 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

16.4 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.

16.4.1 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.

16.4.2 As part of the administrative review, the Parties shall cooperate with the examining officer, and follow all applicable procedures for the administrative review.

16.4.3 Upon completion of the administrative review, the examining officer may recommend to:

16.4.3.1 Confirm the intermediate sanctions;

16.4.3.2 Modify or amend the intermediate sanctions pursuant to applicable law or regulation; or

16.4.3.3 Eliminate the imposed intermediate sanctions.

16.4.4 Once the sanction becomes final ASES shall deduct the amount of the sanction from payments owed to the Contractor.

16.4.5 In addition to the actions described under Section 16.4.3, 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.

16.4.6 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.

16.5 Judicial Review - To the extent administrative review is sought by the Contractor pursuant to Section 16.4, 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.

16.6 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 17 ENFORCEMENT - LIQUIDATED DAMAGES AND OTHER REMEDIES

17.1 General Provisions

17.1.1 ASES may impose intermediate sanctions, liquidated damages, and/or fines pursuant to Puerto Rico Act No. 72-1993 and ASES Regulation No. 8446.

17.1.2 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 30.1.1 of this Contract, ASES may assess liquidated damages against the Contractor for any such default, in accordance with this Article 17. ASES may not impose liquidated damages with respect to a specific event of default of Contractor for which intermediate sanctions, including but not limited to civil monetary penalties, sought to be imposed or are imposed against the Contractor under Article 16. 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 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 17 of this Contract or otherwise under by The Government of Puerto Rico or Federal laws or regulations, including fines pursuant to Puerto Rico Act No. 134.

17.1.3 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.

17.1.4 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 17 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 17.2, 17.3, 17.4 or 17.5.

17.2 Category 1

17.2.1 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:

17.2.1.1 Material non-compliance with an ASES or CMS directive, determination or notice to cease and desist not otherwise described in Article 16 or other provision of this Article 17, 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.

17.3 Category 2

17.3.1 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:

17.3.1.1 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 5 of this Contract;

17.3.1.2 Failure of the Contractor to assume its duties and obligations under this Contract in accordance with the transition timeframes specified herein;

17.3.1.3 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 (ASES will deduct the amount of the overcharge and return it to the affected Enrollees);

17.3.1.4 Failure of the Contractor to address Enrollees' Complaints, Appeals, and Grievances, and Provider disputes, within the timeframes specified in this Contract;

17.3.1.5 Failure of the Contractor to comply with the confidentiality provisions in accordance with 45 CFR 160 and 164; and

17.3.1.6 Failure of the Contractor to comply with a subcontracting requirement in the Contract.

17.4 Category 3

17.4.1 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:

17.4.1.1 Failure to submit required reports in the timeframes prescribed in Article 15;

17.4.1.2 Submission of incorrect or deficient Deliverables as set forth in Appendix L to this Contract or reports in accordance with Article 15 of this Contract;

17.4.1.3 Failure to comply with the Claims processing standards as follows:

17.4.1.3.1 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;

17.4.1.3.2 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

17.4.1.3.3 Failure to process Unclean Claims as specified in Section 13.10.3 of this Contract;

17.4.1.4 Failure to pay Providers interest at the rate identified in and otherwise in accordance with Section 13.10.2.3 of this Contract when a Clean Claim is not adjudicated within the Claims processing deadlines;

17.4.1.5 Failure to seek, collect and/or report Third Party Liability information as provided in Section 20.2 of this Contract; and

17.4.1.6 Failure of Contractor to issue written notice to Enrollees upon Provider's termination of a Provider as described in Section 73 of this Contract.

17.5 Category 4

17.5.1 Liquidated damages as specified below may be imposed for Category 4 events. The following constitute Category 4 events:

17.5.1.1 Failure to implement the BC-DR plan as follows:

17.5.1.1.1 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;

17.5.1.1.2 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;

17.5.1.1.3 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;

17.5.1.1.4 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;

17.5.1.2 Unscheduled System Unavailability in violation of Article 14, in ASES's discretion, two hundred fifty dollars ($250) for each thirty (30) minute period or portions thereof;

17.5.1.3 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;

17.5.1.4 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:

17.5.1.4.1 One (1) to fifteen (15) Calendar Days late: two hundred and fifty dollars ($250) per Calendar Day for days 1 through 15;

17.5.1.4.2 Sixteen (16) to thirty (30) Calendar Days late: five hundred dollars ($500) per Calendar Day for days 16 through 30; and

17.5.1.4.3 More than thirty (30) Calendar Days late: one thousand dollars ($1,000) per Calendar Day for days 31 and beyond; and

17.6 Other Remedies

17.6.1 Subject to Article 30 of this Contract, in lieu of imposing a Remedy allowed under this Article 17, 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 17 to address a failure specified in Category 1 or Category 2 of this Article 17are not implemented to ASES's satisfaction or if such failure continues or is not corrected, to ASES's sole satisfaction.

17.6.2 In the event of non-compliance by the Contractor with Article 15 of this Contract, ASES shall have the right to Withhold, with respect to Article 15, 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.

17.7 Notice of Administrative Inquiry regarding Liquidated Damages and/or Other Article 17 Remedies

17.7.1 Administrative Inquiry. ASES may issue the Contractor a notice of imposition of liquidated damages and/or other Article 17 remedies in lieu of a notice of administrative inquiry regarding liquidated damages and/or other Article 17 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 17. This notice of administrative inquiry shall include the following:

17.7.1.1 A brief description of the facts;

17.7.1.2 Citations to Puerto Rico and Federal laws and regulations, or Contract provision(s) the Contractor has breached;

17.7.1.3 The Contractor's non-compliance with Puerto Rico and Federal laws and regulations or Contract provisions;

17.7.1.4 The Contractor's breach of applicable Contract provisions and event categories that could result in remedies or liquidated damages pursuant to this Article 17;

17.7.1.5 ASES's authority to determine and seek liquidated damages or other remedies against the Contractor under this Article 17;

17.7.1.6 The amount of potential, or Contractor's exposure to liquidated damages, or other Article 17 remedies, and how they were computed; and

17.7.1.7 A statement describing the Contractor's right to submit a Corrective Action Plan within fifteen (15) Calendar Days of receipt of the notice of administrative inquiry under this Article 17.

17.7.2 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 17.

17.7.3 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 17.8.3 and would be construed to be premature rendering any administrative examiner without jurisdiction to review the matter.

17.7.4 If the Contractor fails to comply with any material provision under a Corrective Action Plan submitted to ASES pursuant to Section 17.7.2 above, ASES may impose:

17.7.4.1 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

17.7.4.2 The applicable Article 17 Remedy for any or all behavior that resulted in the submission of Corrective Action Plan pursuant to Section 17.7.2 above.

17.8 Notice of Imposition of Liquidated Damages and/or Other Remedies

17.8.1 Prior to the imposition of liquidated damages and/or any other remedies under this Article 17, ASES will issue a notification, delivered thorough US Postal Service Certified Mail, to the Contractor that includes the following:

17.8.1.1 A brief description of the facts;

17.8.1.2 Citations to Puerto Rico and Federal laws and regulations, or Contract provision(s) the Contractor has breached;

17.8.1.3 ASES's determination to assess and impose liquidated damages and/or any other Article 17 Remedy;

17.8.1.4 Liquidated damages and/or any other Article 17 Remedy imposed and their effective date;

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17.8.1.5 Methodology for the liquidated damages and/or any other Article 17 Remedy calculation; and

17.8.1.6 A statement that the Contractor has a right to object and request an administrative review of the imposition of liquidated damages and other Article 17 remedies pursuant to the procedures in ASES Regulation 8446 and Puerto Rico Act No. 38-2017, as amended.

17.8.2 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 17.

17.8.3 **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 17, pursuant to the procedures in ASES Regulation No. 8446.

17.8.3.1 As part of the administrative review, the Parties shall cooperate with the examining officer, and follow all applicable procedures for the administrative review.

17.8.3.2 Once the sanction becomes final ASES shall deduct the amount of the sanction from the PMPM Payment or the Retention Fund.

17.9 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 18 CONTRACT TERM

18.1 Subject to and upon the terms and conditions herein, this Contract shall be in full force and effect on January 1, 2021 and shall terminate on December 31, 2021. The foregoing notwithstanding, ASES, subject to Article 30 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 of Puerto Rico in any Service Region or portion thereof.

18.2 The Contract shall expire at the close of the Contract Term unless earlier terminated under Article 30 or extended by written amendment with the agreement of the Parties. This Contract shall not be automatically renewed.

18.3 To the extent that, due to the number of products offered by the Contractor, this Contract is projected to surpass the monetary minimum established by the Financial Oversight and Management Board (FOMB) to require FOMB approval, it must be approved by the FOMB to be effective. In the event the FOMB does not approve this

Contract prior to September 30, 2020, or denies approval, it shall be considered immediately terminated on September 30, 2020.

ARTICLE 19 PAYMENT FOR SERVICES

19.1 General Provisions

19.1.1 Compensation to the Contractor shall consist of a monthly, PMPM Payment which will be equal to the number of Enrollees as of the last day of the month preceding the month in which payment is made, multiplied by the negotiated PMPM Payment agreed to between the Contractor and ASES for each Service Region covered by the Contract. The applicable rate for compensation is specified in Appendix B and shall be effective for the entire Contract Term. The Contractor shall not, at any time, increase the rate agreed in the Contract, nor reduce the Covered Services or other benefits agreed to.

19.1.1.1 PMPM Payment to Contractor will be disbursed from the Finance Department Control Account Number 233-5225.

19.1.1.2 PMPM Payments to Contractor will be conducted through an Automated Clearinghouse System (ACH). Prior to the execution of this Contract, the Contractor must have duly signed the proper ACH transfer authorization form.

19.1.1.3 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.

19.1.2 If CMS denies payment on the basis of Section 1903(m)(5)(B)(ii) of the Social Security Act, or such other applicable federal statute or regulation, ASES will deny PMPM Payment to the Contractor for Enrollees enrolled after the date that CMS has notified the Contractor of their denial and until CMS is satisfied that the basis for such determination has been corrected and is not likely to recur.

19.1.3 ASES will have the discretion to recoup payments made to the Contractor for ineligible Enrollees, including, but not limited to, the following:

19.1.3.1 Enrollees incorrectly enrolled with more than one Contractor;

19.1.3.2 Enrollees who die prior to the Enrollment month for which the payment was made;

19.1.3.3 Enrollees whom ASES later determines were not eligible for Medicaid during the Enrollment month for which payment was made;

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19.1.3.4 Enrollees whom were not domiciled in Puerto Rico at the time the service was rendered for which payment was made; or

19.1.3.5 Enrollees whom were incarcerated during the Enrollment month for which payment was made.

19.1.4 Any such payments due to ASES from the Contractor will be offset from future payments to the Contractor.

19.1.5 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.

19.1.6 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 3.2.3. 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 3.3.

19.1.7 The Contractor acknowledges that the capitated payments agreed to under the terms of this Contract in addition to any applicable cost-sharing as provided in Appendix C-6 to this Contract constitute full and complete payment for Covered Services and Benefits under the Medicare Platino Program. 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. The Contractor further agrees that such capitated payments may be made only by ASES and retained by Contractor for Dual-Eligible Enrollees.

19.1.8 The Contractor and any Network or Out-of-Network Provider shall be prohibited from holding any Enrollee liable for the payment of any fees that are the legal obligation of Contractor. Balance billing is expressly prohibited. Any cost sharing imposed on Enrollees shall be in accordance with 42 CFR 447.50 through 42 CFR 447.60.

19.1.9 To comply with 42 CFR 438.608(d), the Contractor shall report and return to ASES an Overpayment within sixty (60) calendar days after the date on which the Overpayment was Identified.

ARTICLE 20 FINANCIAL MANAGEMENT

20.1 General Provisions

20.1.1 The Contractor shall be responsible for the sound financial management of Puerto Rico and Federal funds provided to the Contractor under the Medicare Platino Program.

20.1.2 The Contractor shall notify ASES in writing of any loans or other special financial arrangements made between the Contractor and any Provider. Any such loans shall strictly conform to the legal requirements of Federal and Puerto Rico anti-Fraud and anti-kickback laws and regulations.

20.1.3 The Contractor shall provide ASES with copies of its audited financial statements following Generally Accepted Accounting Principles ("GAAP") in the US, at its own cost and expenses, for the duration of the Contract, and as of the end of each fiscal year during the Contract Term, regarding the financial operations related to the Medicare Platino Program. The statements shall provide (1) a separate accounting of activities relating to each Service Area, and (2) a consolidated section accounting for all Medicare Platino Program activities. These reports shall be submitted to ASES no later than ninety (90) Calendar Days after the close of the fiscal year of ASES.

20.1.4 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, 2019, and subsequently thereafter, during the Contract Term, 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 20.1.3.

20.1.5 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. The Contractor shall submit (1) a separate accounting of activities relating to each Service Area, and (2) a consolidated section accounting for all Medicare Platino Plan activities.

20.1.6 The Contractor shall provide to ASES a copy of the annual corporate report of its parent company at the close of the calendar year.

20.1.7 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.

20.1.8 The Contractor acknowledges, and shall incorporate in contracts with Subcontractors, that the Medicare Platino Program is a government-funded

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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..

20.1.9 The Contractor shall maintain an accounting system for Medicare Platino separate from the rest of its commercial activities. This system will only include ASES Data. The Data will be segregated by Service Area.

20.1.10 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.

20.2 Third Party Liability and Cost Avoidance

20.2.1 General Provisions

20.2.1.1 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 an Enrollee. Examples of a Third Party include, but are not limited to, an Enrollee's health insurer, casualty insurer, a managed care organization, and original Medicare.

20.2.1.2 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 Medicare Platino 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.

20.2.1.3 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.

20.2.1.4 The Contractor shall, within five (5) Business Days of issuing a denial of any Claim based on TPL, provide TPL Data to the Provider.

20.2.1.5 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.

20.2.1.6 The Contractor shall post all Third-Party payments or recoveries to Claim-level detail by Enrollee.

20.2.1.7 If the Contractor operates or administers a non-Medicare Platino 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.

20.2.1.8 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.

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20.2.1.9 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.

20.2.2 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 an 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.

20.2.3 Estate Recoveries. ASES (or another agency of the Government of Puerto Rico) will have the sole and exclusive right to pursue and recover correctly paid benefits from the estate of a deceased Enrollee in accordance with Federal and Puerto Rico law. Such recoveries will be retained by ASES.

20.2.4 Subrogation

20.2.4.1 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 Medicare or Medicaid guidelines and Puerto Rico law.

20.2.4.2 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.

20.2.4.3 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.'

20.2.5 Cost Avoidance

20.2.5.1 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.

20.2.5.2 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:

20.2.5.2.1 The coverage is derived from a parent whose obligation to pay support is being enforced by a government agency.

20.2.5.2.2 The Claim is for maternal and prenatal services to a pregnant woman or for EPSDT services that are covered by the Medicaid program.

20.2.5.2.3 The Claim is for labor, delivery, and post-partum care and does not involve hospital costs associated with an inpatient stay.

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

20.2.5.2.5 The Claim involves coverage or services mentioned in this Section in combination with another service.

20.2.5.3 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.

20.2.5.4 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.

20.3 Medicaid as Secondary Payer to Medicare

20.3.1 If a Covered Service is covered in whole or part by both Medicare and Medicaid, assuming no other Third Parties liable for payment exist, the Contractor shall determine liability as a secondary payer as follows:

20.3.1.1 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 Medicaid cost-sharing requirements, then the Provider is not entitled to, and the Contractor shall not pay, any additional amounts for the services.

20.3.1.2 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 Medicaid cost-sharing requirements, the Provider is entitled to, and the Contractor shall pay, the lesser of:

20.3.1.2.1 The Medicaid cost-sharing (Deductibles and coinsurance) payment amount for which the Dual Eligible Beneficiary is responsible under Medicare, and

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20.3.1.2.2 An amount which represents the difference between (1) the negotiated contract rate between the Contractor and the Provider for the service minus any Medicaid cost-sharing requirements, and (2) the established Medicare liability for the services.

20.3.2 Protections for Medicare Platino Enrollees

20.3.2.1 Unless otherwise permitted by Federal or Puerto Rico law, Covered Services may not be denied to an 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.

20.4 Physician Incentive Plans

20.4.1 If Contractor elects to operate a Physician Incentive Plan, Contractor agrees that no specific payment will be made directly or indirectly under the plan to a physician or physician group as an inducement to reduce or limit medically necessary services furnished to an Enrollee. Contractor agrees to submit to ASES annual reports containing the information on its physician incentive plan in accordance with 42 CFR § 438.6(h). The contents of such reports shall comply with the requirements of 42 CFR § 422.208 and 210 and be in a format to be provided by ASES.

20.4.2 The Contractor must ensure that any agreements for contracted services covered by this Agreement, such as agreements between the Contractor and other entities or between the Contractor's subcontracted entities and their Contractors, at all levels including the physician level, included language requiring that the physician incentive plan information be provided by the Subcontractor in an accurate and timely manner to the Contractor, in the format requested by ASES.

20.4.3 In the event that the incentive arrangements place the physician or physician group at risk for services beyond those provided directly by the physician or physician group for an amount beyond the risk threshold of 25% of potential payments for covered services (substantial financial risk), the Contractor must comply with all additional requirements listed in regulation, such as: conduct enrollee/disenrollee satisfaction surveys; disclose the requirements for the physician incentive plans to its beneficiaries upon request; and ensure that all physicians and physician groups at substantial financial risk have adequate stop loss protection. Any of these additional requirements that are passed on to the sub-Contractors must be clearly stated in their Agreement.

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20.5 Medical Loss Ratio

20.5.1 The Contractor shall report a Medical Loss Ratio and related data as required under 42 CFR 438.8(k) for each rating period. Such reporting shall be provided to ASES no later December 31 of the following year.

20.5.2 The Contractor shall calculate its Medical Loss Ratio and related data based on the methodology set forth in 42 CFR 438.89 and any other instructions issued by CMS or ASES. The Contractor is expected to achieve a target medical loss ratio standard, as calculated under 42 CFR 438.8, of at least eighty-five percent (85%) for the contract year.

ARTICLE 21 RELATIONSHIP OF PARTIES

21.1 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 22 INSPECTION OF WORK

22.1 ASES, the Puerto Rico Medicaid Program, other agencies of the Government of Puerto Rico, the Secretary, the US Department of Health and Human Services, the General Accounting Office, the US Comptroller General, the Comptroller General of the Government 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 23 GOVERNMENT PROPERTY

23.1 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 Appendix L 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.

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23.2 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 24 OWNERSHIP AND USE OF DATA AND SOFTWARE

24.1 Ownership and Use of Data

24.1.1 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.

24.1.2 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.

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24.1.3 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.

24.1.4 ASES reserves the right to modify, expand, or delete the requirements contained in Article 24 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.

24.2 Responsibility for Information Technology Investments. 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 25 SUBCONTRACTS

25.1 Use of Subcontractors

25.1.1 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.

25.1.2 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.

25.1.3 All contracts between the Contractor and Subcontractors must be in writing and must specify the activities and responsibilities delegated to the Subcontractor containing terms and conditions consistent with this Contract. The contracts 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 associates agreement between the Parties.

25.1.4 All Subcontracts entered into by the Contractor must comply with the applicable 42 CFR 438 requirements that pertain to the service or activity performed by the Subcontractor.

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25.1.5 The Contractor also agrees to comply with all other applicable requirements and standards set forth at 42 CFR 422.505(i) as well as other applicable federal laws and regulations governing the Contractor's relationships with Medicare Advantage Subcontractors and all other first-tier, downstream and related entities as defined in 42 CFR 422.2.

ARTICLE 26 REQUIREMENT OF INSURANCE LICENSE AND CERTIFICATE OF SOLVENCY

26.1 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 and Certificate of Solvency, both issued by the Office of the Puerto Rico Insurance Commissioner.

26.2 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 27 CERTIFICATIONS

27.1 The Contractor shall provide to ASES within fifteen (15) Calendar Days of the Effective Date of this Contract 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. 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.

27.2 The Contractor shall submit the following certifications:

27.2.1 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;

27.2.2 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);

27.2.3 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;

27.2.4 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;

27.2.5 Evidence of Incorporation and of Good Standing issued by the Department of State of Puerto Rico;

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27.2.6 Certification of current municipal license tax ("Patentes Municipales"), if applicable;

27.2.7 Certification issued by the Minor Children Support Administration ("ASUME", by its Spanish acronym) of no outstanding alimony or child support debts, if applicable;

27.2.8 A sworn statement certifying that it has no debt with the government of the Government of Puerto Rico, or with any state agencies, corporations or instrumentalities that provide or are related to the provision of health services; and

27.2.9 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 or pending administrative review under applicable law or regulations.

27.3 If the Contractor fails to meet the obligations of this Section 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 28 RECORDS REQUIREMENTS

28.1 General Provisions

28.1.1 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. These records include, but are not limited to, enrollee grievance and appeal records in 42 CFR 438.416, base data in 42 CFR 438.5(c), medical loss ratio reports in 42 CFR 438.8(k), and the data, information, and documentation specified in 42 CFR 438.604, 438.606, 438.608, and 438.610. 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.

28.2 Records Retention and Audit Requirements

28.2.1 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 USA Comptroller General, the Comptroller of Puerto Rico and ASES, as to the maintenance of records related to this Contract.

28.2.2 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.

28.2.3 Pursuant to the requirements of 42 CFR 434.6(a)(5) and 42 CFR 434.38, ASES, the Secretary, DHHS, CMS, the Office of the Inspector General, the Comptroller General, 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 may inspect the premises, physical facilities, and equipment where activities or work related to the Medicare Platino 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.

28.2.4 In certain circumstances, as follows, the authorities listed in Section 28.2.3 shall have the right to inspect and audit records in a timeframe that exceeds the timeframe set forth in Section 28.1.1.

28.2.4.1 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 28.1.1.

28.2.4.2 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.

28.2.4.3 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 28.1.1, that it wishes to extend the time period for retention of records.

28.2.4.4 There has been, during the time period set forth in Section 28.1.1, 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.

28.2.5 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.

28.3 Medical Record Requests

28.3.1 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.

28.3.2 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 29 CONFIDENTIALITY

29.1 General Confidentiality Requirements

29.1.1 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.

29.1.2 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.

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29.1.3 Any other party shall be granted access to confidential Information only after complying with the requirements of Puerto Rico and Federal law pertaining to such access. ASES shall have absolute authority to determine if and when any other party has properly obtained the right to have access to this confidential information. Nothing herein shall prohibit the disclosure of information in summary, statistical, or other form that does not identify particular individuals. 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.

29.1.4 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.

29.1.5 Any disclosure or transfer of confidential information by the Contractor, including information required by ASES, will be 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.

29.1.6 In accordance with the timeframes outlined in Appendix L to the 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, 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. The Contractor must provide safeguards that restrict the use or disclosure of protected health information (PHI) concerning Enrollees to purposes directly connected with the administration of this Contract.

29.1.7 The Contractor must comply with HIPAA notification requirements, including those set forth in HITECH. The Contractor must notify ASES of all Breaches or potential Breaches of unspecified PHI, as defined by HITECH, without unreasonable delay and in no event later than thirty (30) Calendar Days after discovery of the Breach or potential Breach. 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.

29.1.8 Assurance of Confidentiality

29.1.8.1 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.

29.1.8.2 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.

29.1.9 Return of Confidential Data

29.1.9.1 The Contractor shall return all Personal Health Information Data 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.

29.1.10Publicizing Safeguarding Requirements

29.1.10.1 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.

29.1.10.2 In addition to the requirements expressly stated in this Article 29, 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.

29.1.10.3 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 must be returned to ASES or, at ASES's option, erased or destroyed. The Contractor must provide ASES certificates evidencing such destruction.

29.1.10.4 The Contractor's contracts with practitioners and other Providers shall explicitly state expectations about the confidentiality of ASES's confidential information and Enrollee records.

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29.1.10.5 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.

29.1.10.6 This Article 29 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 provides immediate notice to ASES of such order.

29.1.11 Disclosure of ASES's Confidential Information

29.1.11.1 The Contractor shall Immediately report to ASES any and all unauthorized disclosures or uses of confidential information of which it or its Subcontractors, consultants, or Agents is aware or has knowledge. The Contractor acknowledges that any publication or disclosure of confidential information to others 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.

29.1.12 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.

29.1.13 ASES, the Government of Puerto Rico, 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.

29.1.14 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 "protected health information" relating to Enrollees, as such term is defined by 45 CFR Parts 160 and 164.

29.2 HIPAA Compliance

29.2.1 The Contractor shall assist ASES in its efforts to comply with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its amendments, rules, procedures, and regulations. To that end, the Contractor shall cooperate with and abide by any 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. A standard business associate agreement is included as Appendix G to this Contract. 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.

29.3 Data Breach

29.3.1 The Contractor shall report to ASES, as required in § 13402 of the HITECH Act, of any 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.

29.3.2 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, to the extent available at the time of the notification, the following information:

29.3.2.1 One or two sentence description of the event;

29.3.2.2 Description of the roles of the people involved in the Breach (e.g., employees, participant users, service Providers, unauthorized persons, etc.)

29.3.2.3 The type of Data / Information as well as Personal Health Information that was breached;

29.3.2.4 Enrollees likely impacted by the Breach;

29.3.2.5 Number of individuals or records impacted/estimated to be impacted by the Breach;

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29.3.2.6 Actions taken by the Contractor to mitigate the Breach;

29.3.2.7 Current status of the Breach (under investigation or resolved);

29.3.2.8 Corrective action taken and steps planned to be taken to prevent a
similar Breach.

29.3.3 The Contractor shall have a duty to supplement the information contained in the notification as it becomes available and to cooperate with ASES. The notification required by this Section shall not include any PHI.

ARTICLE 30 TERMINATION OF CONTRACT

30.1 General Procedures

30.1.1 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 16 and 17 of this Contract or available by law, and subject to compliance with the termination procedures set forth in Section 30.8 below, ASES may terminate this Contract for any or all of the following reasons:

30.1.1.1 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. Default includes any action that threatens the health, safety and welfare of the Contractor's Enrollees or that constitutes an unacceptable practice that adversely affects the fiscal integrity of the Medicare Platino Program;

30.1.1.2 Immediately, in the event of insolvency or declaration of bankruptcy by the Contractor;

30.1.1.3 Immediately, if Contractor has its Certificate of Authority suspended, limited, non-renewed or revoked by the Insurance Commissioner;

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30.1.1.4 Immediately, when sufficient appropriated funds no longer exist for the payment of ASES's obligation under this Contract;

30.1.1.5 In the event that the Contractor or any of its shareholders, director, officers, or employees fall under the prohibition stated in Section 10.4.1.1 or 10.4.1.2 of this Contract; or

30.1.1.6 In the event that the Contractor fails to renew its contract with CMS pursuant to Sections 1851 to 1859 of the Social Security Act to offer the Medicare Advantage plan to Enrollees residing

in the Service Area specified in Appendix A. In such instances, the Contractor shall notify ASES of the termination or failure to renew its contract with CMS Immediately upon knowledge of the impending termination or failure to renew.

30.1.2 The Contractor shall have a limited right of termination of this Contract only in the events described in Section 30.10 of this Contract.

30.1.3 Each Party shall have the opportunity to cure any default alleged in a termination notice sent pursuant to this Article 30, 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.

30.1.4 Notwithstanding the termination of this Contract pursuant to this Article 30 for any reason, the Contractor shall remain obligated to provide the Administrative Functions as described in Article 31, 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.

30.1.5 Continuing Obligations of ASES. Notwithstanding the termination of this Contract for pursuant to this Article 30 for any reason, ASES shall remain obligated to pay to the Contractor the PMPM through the Termination Date (inclusive of the Transition Period).

30.1.6 Termination Procedures to be Strictly Followed. No termination of this Contract shall be effective unless the termination procedures under Section 30 of this Contract have been strictly followed or waived by the Parties.

30.2 Termination by Default

30.2.1 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 10.4.1.1 or 10.4.1.2, ASES may terminate the Contract in addition to or in lieu of any other remedies set out in this Contract or available by law.

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30.2.2 Before terminating this Contract, ASES will:

30.2.2.1 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;

30.2.2.2 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

30.2.2.3 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.

30.3 Termination for Convenience

30.3.1 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.

30.4 Termination for Insolvency or Bankruptcy

30.4.1 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.

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30.4.2 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:

30.4.2.1 The Contractor's debts;

30.4.2.2 The Covered Services provided to the Enrollee, for which ASES does not pay the Contractor or its Network Providers;

30.4.2.3 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

30.4.2.4 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.

30.4.3 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.

30.5 Termination for Insufficient Funding

30.5.1 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.

30.5.2 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.

30.5.3 Upon termination, the Contractor shall comply with the phase-out obligations established in Article 31 of this Contract.

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30.5.4 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.

30.5.5 Availability of funds shall be determined solely by ASES.

30.6 ASES may terminate this Contract for any other just reason upon thirty (30) Calendar Days written notice.

30.7 Termination Procedures

30.7.1 Upon termination of this Contract, the Contractor shall:

30.7.1.1 Stop work under the Contract on the date and to the extent specified in the notice of termination;

30.7.1.2 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 as is not terminated;

30.7.1.3 Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination;

30.7.1.4 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;

30.7.1.5 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;

30.7.1.6 Complete the performance of such part of the work that was not terminated by the notice of termination;

30.7.1.7 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;

30.7.1.8 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;

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30.7.1.9 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

30.7.1.10 Submit a termination/transition plan to ASES for review and prior written approval that includes commitments to carry out at minimum the following obligations:

30.7.1.10.1 Provide Enrollees continuation of all the Covered Services and Benefits during a defined transition period, such transition period to be determined by ASES;

30.7.1.10.2 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 11;

30.7.1.10.3 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;

30.7.1.10.4 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.

30.7.1.10.5 File all reports concerning the Contractor's operations during the term of the Contract in the manner described in this Contract;

30.7.1.10.6 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;

30.7.1.10.7 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 31;

30.7.1.10.8 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;

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30.7.1.10.9 Submit to ASES all scripts used at Call Centers to communicate with Enrollees during the transition period;

30.7.1.10.10 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;

30.7.1.10.11 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

30.7.1.10.12 Meet with ASES personnel, as requested, to ensure satisfactory completion of all obligations under the Termination Plan.

30.7.2 This Termination Plan shall be subject to review and approval by CMS.

30.7.3 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.

30.7.4 Except as provided in this Article 30 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.

30.8 Termination Claims

30.8.1 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.

30.8.2 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:

30.8.2.1 At the Contract price(s) for services delivered to and accepted by ASES; and/or

30.8.2.2 At a price mutually agreed upon by the Contractor and ASES for partially completed services.

30.8.3 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.

30.9 Limited Right of Termination by the Contractor

30.9.1 Subject to compliance with the termination procedures set forth in Section 30.8, the Contractor may terminate this Contract under the following circumstances:

30.9.1.1 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. .

30.9.1.2 Termination Due to Insufficient Funding. Immediately, upon receipt from ASES of a written notice pursuant to Section 30.5 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.

ARTICLE 31 PHASE-OUT AND COOPERATION WITH OTHER CONTRACTORS

31.1 If, in the best interest of Enrollees of the Medicare Platino Program, ASES terminates any Medicare Platino Program contract, the Contractor shall, upon the request of ASES, assume responsibility for the geographic areas (municipalities or Service Regions) 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.

31.2 If in the best interest of Enrollees, 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.

31.3 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.

ARTICLE 32 COMPLIANCE WITH ALL LAWS

32.1 Nondiscrimination

32.1.1 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.

32.1.2 The Contractor shall comply with all provisions of the Puerto Rico Patient's Bill of Rights and its implementing regulation, which prohibit discrimination against any patient.

32.2 Compliance with All Laws in the Delivery of Service

32.2.1 The Contractor agrees that all work done as part of 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 those listed in Appendix J to this Contract.

32.2.2 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 Appendix J 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.

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32.2.3 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.

32.2.4 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.

32.2.5 The Contractor certifies and warrants to ASES that at the time of execution of this Contract: (i) it is a corporation 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 33 CONFLICT OF INTEREST AND CONTRACTOR INDEPENDENCE

33.1 The duty to provide information about interests and conflicting relations is continuous and extends throughout the Contract Term.

33.2 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 after the Effective Date of the Contract; and at any time, within fifteen (15) Calendar Days of request by ASES.

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33.3 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.

33.4 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 34 CHOICE OF LAW OR VENUE

34.1 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 of Puerto Rico based upon or

arising from this Contract shall be brought in a court of competent jurisdiction in Puerto Rico.

ARTICLE 35 ATTORNEY'S FEES

35.1 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 36 SURVIVABILITY

36.1 The terms, provisions, representations, and warranties contained in this Contract shall survive the delivery or provision of all services hereunder.

ARTICLE 37 PROHIBITED AFFILIATIONS WITH INDIVIDUALS DEBARRED AND SUSPENDED

37.1 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. 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). Any violation of this Article shall be grounds for termination of the Contract.

ARTICLE 38 WAIVER

38.1 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.

38.2 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 39 FORCE MAJEURE

39.1 Neither Party of this Contract shall be held responsible for delays or failures in performance resulting from acts beyond the control of each Party. Such acts shall include, but not be limited to, acts of God, strikes, riots, lockouts, acts of war, epidemics, fire, earthquakes, or other disasters.

ARTICLE 40 BINDING

40.1 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 41 TIME IS OF THE ESSENCE

41.1 Time is of the essence in this Contract. Any reference to "days" shall be deemed Calendar Days unless otherwise specifically stated.

ARTICLE 42 AUTHORITY

42.1 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 43 ETHICS IN PUBLIC CONTRACTING

43.1 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

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inducements from any other Contractor, supplier, manufacturer, or Subcontractor in connection with its Proposal.

ARTICLE 44 CONTRACT LANGUAGE INTERPRETATION

44.1 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.

ARTICLE 45 ARTICLE AND SECTION TITLES NOT CONTROLLING

45.1 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 46 LIMITATION OF LIABILITY/EXCEPTIONS

46.1 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 of Puerto Rico by a Third Party or the Contractor.

ARTICLE 47 COOPERATION WITH AUDITS

47.1 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.

47.2 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.

47.3 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 48 OWNERSHIP AND FINANCIAL DISCLOSURE

48.1 The Contractor and Subcontractors shall disclose 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:

48.1.1 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;

48.1.2 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

48.1.3 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).

48.2 As per 42 CFR 455.104, disclosure by the Contractor will include the following information on ownership and control:

48.2.1 The name and address of any person (individual or corporation) with an ownership or control interest in the disclosing entity, fiscal agent, or managed care entity. The address for corporate entities must include as applicable primary business address, every business location, and P.O. Box address.

48.2.2 Date of birth and Social Security Number (in the case of an individual).

48.2.3 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.

48.2.4 Whether the person (individual or corporation) with an ownership or control interest in the disclosing entity (or fiscal agent or managed care entity) 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.

48.2.5 The name of any other disclosing entity (or fiscal agent or managed care entity) in which an owner of the disclosing entity (or fiscal agent or managed care entity) has an ownership or control interest.

48.2.6 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).

48.2.7 Disclosures from providers or disclosing entities. Providers or disclosing entities shall comply with the information disclosure required by Section 48.2. Disclosure from any provider or disclosing entity is due at any of the following times:

48.2.7.1 Upon the provider or disclosing entity submitting the provider application.

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48.2.7.2 Upon the provider or disclosing entity executing the provider agreement.

48.2.7.3 Upon request of the Medicaid agency during the re-validation of enrollment process under 42 CFR 455.414.

48.2.7.4 Within 35 days after any change in ownership of the disclosing entity.

48.2.8 Disclosures from fiscal agents. Fiscal agents shall comply with the information disclosure required by Section 48.2. Disclosures from fiscal agents are due at any of the following times:

48.2.8.1 Upon the fiscal agent submitting the proposal in accordance with the Government of Puerto Rico's procurement process.

48.2.8.2 Upon the fiscal agent executing the contract with the Government of Puerto Rico.

48.2.8.3 Upon renewal or extension of the contract.

48.2.8.4 Within thirty-five (35) Calendar Days after any change in ownership of the fiscal agent.

48.2.9 Disclosures from managed care entities. Managed care entities shall comply with the information disclosure required by Section 48.2. Disclosures from managed care entities (MCOs, PIHPs, PAHPs, and HIOs), are due at any of the following times:

48.2.9.1 Upon the managed care entity submitting the proposal in accordance with the Government of Puerto Rico's procurement process.

48.2.9.2 Upon the managed care entity executing the contract with the Government of Puerto Rico.

48.2.10 Within thirty-five (35) Calendar Days after any change in ownership of the managed care entity.

ARTICLE 49 AMENDMENT IN WRITING

49.1 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

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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.

49.2 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.

49.3 ASES also reserves the right to amend or partially terminate the Contract at any time if such amendment or partial termination is necessary to implement a demonstrative plan to incorporate the new public health policies and/or strategies of the Government of the Government of Puerto Rico.

ARTICLE 50 CONTRACT ASSIGNMENT

50.1 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.

50.2 The Contractor agrees that, in the event an assignment of any part of this Contract is approved by ASES, that Contractor shall remain legally responsible to ASES for carrying out all activities under this Contract and that no Subcontract shall limit or terminate Contractor's responsibility.

ARTICLE 51 SEVERABILITY

51.1 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 52 ENTIRE AGREEMENT

52.1 This Contract, including those attachments, schedules, appendices, exhibits and addenda that have been specifically incorporated herein, as well as written plans submitted by Contractor and approved by ASES, 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.

ARTICLE 53 INDEMNIFICATION

53.1 The Contractor hereby releases and agrees to indemnify and hold ASES, the Government of Puerto Rico, 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 54 NOTICES

54.1 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 (iii) and (iv), with acknowledged receipt, and all addressed as follows:

54.1.1 If to ASES at:

Mailing Address:	Physical Address:
Administración de Seguros de Salud P.O. Box 195661 San Juan, PR 00919-5661 Attention: Executive Director	Administración de Seguros de Salud Urb. Caribe 1549 Calle Alda San Juan, PR 00926-2712

54.1.2 If to Contractor at:

Mailing Address:	Physical Address:
MMM Healthcare, LLC P.O. Box 71114 San Juan, PR 00936	MMM Healthcare, LLC P.O. Box 71114 San Juan, PR 00936

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54.1.3 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 55 OFFICE OF THE COMPTROLLER

55.1 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.

ARTICLE 56 CONTRACT APPLICABILITY

56.1 Due to the nature of the Platino product as supplemental Medicaid Wraparound coverage, the provisions contained herein shall apply only for the benefits included in the Wraparound Table, Appendix C(2), as approved by CMS, inasmuch as CMS has primary jurisdiction over the regulation of Medicare Advantage products.

(Signatures on following page)

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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)

Jorge E. Galva, JD, MHA
Executive Director

7/1/2020
Date

MMM HEALTHCARE, LLC

Orlando González Rivera, JD
President

6/24/20
Date

Account No.: 258-5327/5331-P01/P02
258-5327/5331-P01/P03

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