

CERTIFICATION

Pursuant to 42 U.S.C. 1308(g)(7)(A)(v)(II) and (III), the Commonwealth of Puerto Rico certifies to the honorable Robert F. Kennedy Jr., Secretary of the Department of Health and Human Services, that contracts listed below issued by the administration of the Puerto Rico Medicaid Program (PRMP) and the Puerto Rico Health Insurance Administration (PRHIA) during the period of July 1st to September 30th, to the best of our knowledge and efforts have met the procurement standards set forth in sections 75.327, 75.328 and 75.329 of 45 CFR, except as indicated.

The Puerto Rico Department of Health (PRDoH) is the State Medicaid Agency (SMA) within the Commonwealth of Puerto Rico. Within PRDoH, the PRMP is responsible for the management of the Medicaid Program and the Puerto Rico Medicaid Enterprise System (PRMES). The Puerto Rico Health Insurance Act created the Puerto Rico Health Insurance Administration (ASES by its Spanish acronym), which has a memorandum of understanding with the PRMP and is responsible for contracting with, and monitoring services provided by, the Managed Care Organizations (MCOs) and other carriers.

Puerto Rico Health Insurance Administration (PRHIA)				
Vendor	Contract number	Contract period	Amount	Note
Plan de Salud Menonita inc	2023-000044N	08/01/2025-30/9/2025	\$61,996,131.00	1
MMM Multi Health, LLC	2023-000045N	08/01/2025-30/9/2025	\$148,732,432.00	1
Triple-S Salud, Inc.	2023-000046N	08/01/2025-30/9/2025	\$150,529,969.00	1
First Medical Health Plan, Inc.	2023-000047N	08/01/2025-30/9/2025	\$113,918,041.00	1
Triple-S Advantage, Inc.	2026-000001	01/01/2026-12/31/2026	\$37,274,041.00	2
MMM Healthcare, LLC	2026-000002	01/01/2026-12/31/2026	\$97,678,058.00	2
MCS Advantage, Inc.	2026-000003	01/01/2026-12/31/2026	\$148,048,134.00	2
Truenorth Corp.	2026-000022	08/01/2025-08/31/2025	\$165,778.72	3

Truenorth Corp.	2026-000027	09/01/2025-07/31/2028	\$1,808,012.00	4
Mercer Health & Benefits, LLC	2026-000038	09/18/2025-10/31/2025	\$1,042,910.00	5

Puerto Rico Medicaid Program (PRMP)				
Vendor	Contract number	Contract period	Amount	Note
Nagnoi, LLC.	2026-DS6495	08/06/2025-12/31/2025	\$1,745,000.00	6
Mangual Office Cleaning	2026-DS4048	07/21/2025-09/30/2027	\$3,409,064.55	7
Genesis Security Services Inc.	2026-DS6840	09/26/2025-09/30/2025	\$1,919,623.68	7
Enterprise Services Caribe (Gainwell)	2023-DS2110-C	07/14/2025-09/30/2025	\$181,575.84	7
Intervoice Communication of Puerto Rico Inc.	2023-DS1139-E	08/11/2025-09/30/2025	\$2,364,469	7
SAB Consulting Inc.	2026-DS6781	10/01/2025-09/30/2026	\$858,360	7
MANPOWERGROUP, inc.	2026-DS6755	10/01/2025-09/30/2026	\$20,469,440.00	7
DMS Management Corp. A/K/A DATABASE Marketing Services	2026-DS6885	10/01/2025-09/30/2027	\$2,610,560	7

Color indication:

 Contracts that have met procurement standards identified under sections 45 CFR §75.327 – 329.

 Extenuating circumstances prevented the compliance of these contracts with the standards identified under 45 CFR §75.327 – 329.

Notes

1. Original contract: Procurement by competitive proposals. 45 CFR § 75.329 (d). The amendment to the original contract was not subject to a procurement process. This amendment is the result of specific provisions in the original contract related to PMPM payments for the contract year.

- The original contracts with the MCOs were signed in 2022. At that time, each one exceeded \$150,000.00. During the period of this certification, these contracts were amended and the amendments were identified with the letter N. Amendment N established an increase in the PMPM payment for Contract Year 3 in accordance with 42 CFR sec. 438.7 (c) (2), which regulates rates paid under risk contracts (see specifically Attachment 11 of Amendment N, titled "Certified Capitation Rates Effective October 1, 2024 – September 30, 2025").

- 42 CFR sec. 438.7 (c) (2) requires the following:

"(c) Rates paid under risk contracts. The State, through its actuary, must certify the final capitation rate paid per rate cell under each risk contract and document the underlying data, assumptions and methodologies supporting that specific capitation rate.

...
(2) If the State determines that a retroactive adjustment to the capitation rate is necessary, the retroactive adjustment must be supported by a rationale for the adjustment and the data, assumptions and methodologies used to develop the magnitude of the adjustment must be adequately described with enough detail to allow CMS or an actuary to determine the reasonableness of the adjustment. These retroactive adjustments must be certified by an actuary in a revised rate certification and submitted as a contract amendment to be approved by CMS. All such adjustments are also subject to Federal timely claim filing requirements".

Section 21.4 of the Contract states the following: "The PMPM Payments shall be negotiated for every rating period covered by the Contract (specifically from January 1, 2023, to September 30, 2023, October 1, 2023, September 30, 2024, October 1, 2024, to September 30, 2025. Any increase in the PMPM Payment shall be subject to ASES's determination that the proposed new amount is actuarially sound".

During the period of this certification, these contracts were amended, and such amendments were identified with the letter N. Among other aspects, the amendment established an increase in the PMPM payment for Contract Year/Term 3 (October 1, 2024, to September 30, 2025) in accordance with 42 CFR sec. 438.7(c)(2).

2. **These contracts are not subject to a procurement process, since the process is administered by CMS.** These contracts (State Medicaid Agency Contracts or SMACs) are a step within CMS's Annual Medicare Advantage Open Enrollment Period covering, but not limited to, the Medicare Advantage Dual Eligible Special Need Plans providers' contract process (D-SNPs), which is administered by CMS. Therefore, the SMAC process in PRHIA is not a competitive one and PRHIA

does not limit the number of contracts awarded. If the Medicare Advantage Organization (MAO) complies with CMS's and PRHIA's requirements, the SMAC is awarded, contingent upon CMS's final award of their contract with said MAO.

3. Procurement by noncompetitive proposals authorized by CMS. 45 CFR sec. 75.329 (f) (3)

- On June 20, 2025, the Puerto Rico Health Insurance Administration (PRHIA) submitted a formal written request to the Centers for Medicare & Medicaid Services (CMS) seeking authorization to extend the Enrollment Counselor service contract with the current vendor, Truenorth. On June 20, 2025, the Puerto Rico Health Insurance Administration (PRHIA) submitted a formal written request to the Centers for Medicare & Medicaid Services (CMS) seeking authorization to extend the Enrollment Counselor service contract with the current vendor, Truenorth Corp. This request was prompted by the impending expiration of Contract No. 2025-000038 on July 31, 2025, and the anticipated delay in finalizing the competitive procurement process initiated through RFP #2025-003 (EC), issued on January 31, 2025.

The request was made pursuant to 45 CFR sec. 75.329(f)(3), which permits noncompetitive procurement when "the HHS awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity."

As requested by CMS, on July 25, 2025, PRHIA's Principal Proposal Adjudicator (PPA) provided a formal attestation confirming that the procurement met the criteria outlined in PRHIA's Procurement Standard Operating Procedures (SOP). Truenorth Corp. This request was prompted by the impending expiration of Contract No. 2025-000038 on July 31, 2025, and the anticipated delay in finalizing the competitive procurement process initiated through RFP #2025-003 (EC), issued on January 31, 2025. On July 29, 2025, CMS approved a one-time sole-source procurement for a maximum duration of six (6) months, effective from August 1, 2025, through January 30, 2026. However, following the issuance of the Notice of Intent to Award for RFP #2025-003 (EC) on August 6, 2025, PRHIA elected to limit the execution of the CMS-authorized contract to August 31, 2025.

4. Procurement by competitive proposals, as per 45 CFR sec. 75.329 (d).

5. Procurement by noncompetitive proposals, under the public exigency and inadequate

6. competition exemptions. 45 CFR sec. 75.329 (f) (2), (4).

- Under Contract No. 2025-000023 with Mercer Health & Benefits, LLC, PRHIA engaged actuarial services scheduled to conclude on June 30, 2025. In anticipation of the contract's expiration, PRHIA launched a competitive procurement process through RFP #2025-001 on December 30, 2024. The evaluation of proposals was completed, and the corresponding report and recommendation was issued on June 9, 2025. On July 30, 2025, PRHIA's Board of Directors reviewed the procurement recommendation. Acting under

the authority granted by Act No. 72-1993, as amended —PRHIA's enabling statute— and in accordance with Section 5.8.4 of RFP #2025-001, which permits cancellation when only one responsive offeror is identified, the Board exercised its discretion to cancel the RFP. This decision was deemed to be in PRHIA's best interest. Specifically, the Notice of Cancellation stated that a new RFP for actuarial services should be prepared by the newly appointed Executive Director, with modifications to promote broader competition during the procurement and ensure better alignment with PRHIA's current operational needs. Accordingly, RFP #2025-004 for Actuarial Services was issued on August 18, 2025. The evaluation of submitted proposals is currently in progress.

Anticipating delays in the completion of the competitive procurement process for actuarial services, PRHIA personnel contacted CMS in June 2025 to identify the appropriate division responsible for authorizing noncompetitive contracts for services such as actuarial services. CMS responded that there is not a specific division or designated point of contact for contracts related to actuarial or financial services. As a result, PRHIA was unable to obtain direct authorization for a noncompetitive procurement under 45 CFR sec. 75.329 (f) (3). Given this provider's critical roles in key PRHIA initiatives —such as the implementation of the All Patient Refined Diagnosis Related Groups (APR-DRG) and, most notably, the ongoing negotiations for Per Member Per Month (PMPM) rates under the Plan Vital contract— PRHIA has identified a continued need for actuarial services to support these essential operations. Although the current competitive procurement process has not concluded, the uninterrupted provision of actuarial services is essential to ensure that Plan Vital services are not disrupted. The need of having an actuary actively engaged in current PMPM rate negotiations with Managed Care Organizations (MCOs), as well as in the development and certification of actuarially sound rates, constitutes a situation of public exigency. PRHIA interprets this as qualifying for an exception to competitive procurement under 45 CFR sec. 75.329 (f) (2). Also, this contract was a result of a prior determination of PRHIA's Board of Directors to cancel the initial RFP #2025-001, as there was only one responsive proposal and competition was deemed inadequate, despite PRHIA's efforts to promote competition. PRHIA interprets this circumstance as a determination of inadequate competition, under 45 CFR sec. 75.329 (f) (4).

These allowed exceptions state the following:

"f) Procurement by noncompetitive proposals.

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

(1) ...

(2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation".

...

(4) After solicitation of a number of sources, competition is determined inadequate.

Considering the circumstances expressed above, it is PRHIA's determination that both criteria are met. For these reasons, this contract is justified under 45 CFR sec. 75.329 (f) (2), (4).

After reviewing all documentation related to the cancellation of the RFP #2025-001, it's the Procurement Oversight Lead's (POL) interpretation that the only reason to allow the procurement by non-competitive proposal in this case is "[a]fter solicitation of a number of sources, competition is determined inadequate." [(45 CFR Sec. 75.329 (f) (4)]

"Public exigency or emergency for the requirement will not permit a delay resulting from a competitive solicitation" [(45 CFR Sec. 75.329 (f) (2)] is not at this time an applicable exemption for non-competitive proposals. The POL's recommendation to the PRHIA's Principal Proposal Adjudicator (PPA) is that for future occasions where the exceptions are utilized, besides contacting CMS, use local and other available resources at the POL Office for clarifications and guidance.

6. This contract was approved by CMS in accordance with 45 CFR 95.611. The amendment extended the original contract date from May 31st, 2025, to May 31st, 2026, by executing the first optional year in the original contract schedule.
7. Procurement by competitive proposals, as per 45 CFR sec. 75.329 (d).

Given today November 25, 2025, in San Juan, Puerto Rico.



Angel Bosch-De Leon
Procurement Oversight Lead
Puerto Rico Medicaid Program