



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 U.S. 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 **January 1, 2026** thru **March 31, 2026 (1st Quarter of 2026)**, to the best of our knowledge and efforts, have met the procurement standards set forth in sections 200.317-327 of 2 CFR, except as indicated.

The Puerto Rico Department of Health (PRDoH) is the State Medicaid Agency (SMA) within the Commonwealth of Puerto Rico. Within the 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
Milliman, Inc.	2026-000055	01/22/2026 – 09/30/2027	\$16,500,000.00	1
Mercer Health & Benefits, LLC	2026-000059	01/16/2026 – 01/31/2026	\$728,165.50	2(a)
Mercer Health & Benefits, LLC	2026-000065	03/11/2025 – 05/08/2025	\$53,698.75	2(b)

Puerto Rico Medicaid Program (PRMP)

Vendor	Contract Number	Contract Period	Amount	Note
Nagnoi, LLC	2026-DS6495-A	01/01/2026 – 05/31/2026	\$1,804,500.00	3
Public Consulting Group	2026-DS7775	03/30/2026 – 09/30/2027	\$3,205,000.00	4

Color Indication:

Contracts that have met procurement standards identified under 2 CFR § 200.317-327.

Extenuating circumstances prevented the compliance of these contracts with the standards identified under 2 CFR § 200.317-327.

Notes:

1. Procurement in accordance with 2 CFR § 200.320 (b) (2) procurement by competitive proposals. This contract was awarded after the completion of a competitive procurement process in RFP #2025-004
2. Two Contracts for state fiscal year 2025-2026 between the Puerto Rico Health Insurance Administration (PRHIA) and entities with professional subject matter expertise in area of Actuarial Services. The PRHIA considers the following vendors as to fall under the "sole source" exception, 2 CFR § 200.320 (c) (2), [formerly 45 CFR § 75.329 (f) (1)].

(a) Mercer Health & Benefits, LLC (Contract Number: 2026-000059)


PRHIA's Interpretation and Comments:

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. After the evaluation of proposals was completed, the Evaluation Committee's 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. Therefore, among other criteria, the Board's decision was based on obtaining adequate competition in a new procurement process.

Accordingly, RFP #2025-004 for Actuarial Services was issued on August 18, 2025. 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. As a result, PRHIA was unable to obtain direct authorization for a noncompetitive procurement.

Given this provider's critical role in PRHIA initiatives -such as Given this provider's critical roles in key PRHIA 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 identified a continued need for actuarial services to support these essential operations.



RFP #2025-004 was adjudicated by PRHIA's Board of Directors on November 25, 2025, and the Notice of Intent to Award was notified on December 5, 2025. The Board of Directors determined to award the contract to Milliman, Inc., as the new provider. The contract approval process in other government entities (Office of Budget and Management, FOMB) was underway during this period and the new actuarial services contract with the awarded Offeror was signed on January 22, 2026, to begin the transition process with Mercer as soon as possible. However, Mercer presented a Petition for Reconsideration and a subsequent petition for judicial review in the Puerto Rico Court of Appeals, which also had an impact on the contract approval process for the new actuarial firm.

The uninterrupted completion of the transition with the new actuarial firm is crucial for conclusion with current PMPM rate certifications, which are required to be actuarially sound by federal regulation, and final reports required by the federal government is crucial. Compliance with these aspects is crucial for the Puerto Rico Medicaid Enterprise, not only to ensure adequate compliance in all operational areas, but it also serves the public interest and guarantees essential services to Plan Vital beneficiaries.

Since this contractor is the only vendor that can provide final actuarial services and complete a transition handover process with the new actuarial firm, Milliman, Inc., this contract for the extension of actuarial services in the context of transition with the newly contracted actuarial firm would be justified under 2 CFR sec. 200.320 (c) (2), which refers to the sole source exemption.

POL's Interpretation and Comments:

The POL acknowledges that this contractor, by virtue of being the incumbent, is uniquely positioned in their ability to fulfill the transition needs for PRHIA. However, the POL recommends that in the future these transitions should be handled by clauses in the initial contract, that force the vendor to comply with such transition and handover activities. There are clauses that could, for example, withhold payment from the vendor until all the handover and transition activities are fulfilled to the extent that PRHIA needs. This would avoid having to make new contracts or extensions for transition or handover activities which would requires justification or clarification from PRHIA

(b) Mercer Health & Benefits, LLC (contract number 2026-000065)**PRHIA's Interpretation and Comments:**

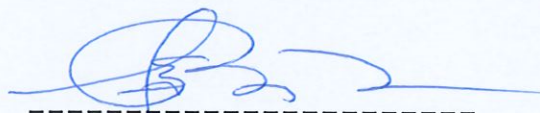
This contract represents a continuation of 2026-000055, for the process of the transition of the services from Mercer Health & Benefits, LLC to Milliman Inc. PRHIA gave the same justification for this contract as the one for 2026-000055.

POL's Interpretation and Comments:

The POL acknowledges that this contractor, by virtue of being the incumbent, is uniquely positioned in their ability to fulfill the transition needs for PRHIA. However, the POL recommends that in the future these transitions should be handled by clauses in the initial contract, that force the vendor to comply with such transition and handover activities. There are clauses that could, for example, withhold payment from the vendor until all the handover and transition activities are fulfilled to the extent that PRHIA needs. This would avoid having to make new contracts or extensions for transition or handover activities which would requires justification or clarification from PRHIA

3. Contract 2026-DS6495-A is an extension of 2026-DS6495, a contract that was awarded via 2 CFR sec. 200.320 (c) (4) which refers to noncompetitive procurement via written approval of the Federal agency or passthrough agency. The written approval for the contract was given via a letter sent to PRMP, after PRMP requested to perform the contracting for this service without competition, on December 5, 2024.
4. Procurement in accordance with 2 CFR § 200.320 (b) (2) procurement by competitive proposals. This contract was awarded after the completion of a competitive procurement process in RFP #2024-PRMP-MES-AVS-005

Given today, May 16, 2026, in San Juan, Puerto Rico.



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