2024-000035

GOVERNMENT OF PUERTO RICO PUERTO RICO HEALTH INSURANCE ADMINISTRATION (ASES) SAN JUAN, PUERTO RICO

PROFESSIONAL SERVICE AGREEMENT

This Agreement for Professional Services (this "Agreement") is made and entered into by and between the Puerto Rico Health Insurance Administration, a public corporation of the Government of Puerto Rico created by Act Number 72 of September 7, 1993, as amended, (hereinafter referred to as "ASES" by its Spanish acronym), represented by its Executive Director, EDNA Y. MARIN RAMOS, MA, of legal age, single and resident of Guaynabo, Puerto Rico; CARMEN I. FIGUEROA VÉLEZ, of legal age, single, and resident of San Juan, Puerto Rico (hereinafter referred to as "SECOND PARTY"), authorized to appear by a Certificate of the Professional Services Providers Registry (RUP, by its Spanish acronym), number 202325411 emitted by de Puerto Rico's General Services Administration (ASG by its Spanish acronym).

WHEREAS, ASES, by virtue of the powers conferred to it under Act 72 of September 7, 1993, as amended, has the authority to engage professional, technical and consulting services that are necessary and convenient to effect the activities, programs and operations of ASES.

THEREFORE, ASES and SECOND PARTY (collectively referred to as THE PARTIES) enter into this Agreement under the following:

TERMS AND CONDITIONS

- 1. ASES agrees to engage with SECOND PARTY to render professional services in general financial, fiscal administration and regulatory compliance consulting services.
- 2. The services to be provided by SECOND PARTY may encompass the following subjects and objectives, as included in the proposal incorporated as part of this Agreement:
 - A. SECOND PARTY will offer the services outline on the proposal but would not be limited to the following:
 - 1) Consulting in Accounting and Budgeting and financial compliance with State and Federal Government.
 - 2) Preparation of fiscal budgets, financial and expenditure reports pursuant to governmental requirements (Office of Management and Budget Government of PR, Financial Oversight and Management Board for Puerto Rico, Puerto Rico Treasury Department).
 - 3) Review PRHIA's reports, performance of financial audits, and account statements.
 - 4) Prepare, evaluate and support PRHIA's payment processes.
 - 5) Review proposed bills that will have a financial impact upon PRHIA.
 - 6) Prepare and/or collaborate in the preparation of memorandums for

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PRHIA's budget process.

3. This Agreement will be in effect from the date of its full execution until June 30, 2024. Notwithstanding any provision to the contrary in this Agreement, either party shall have the right to terminate this Agreement by providing the other party with thirty (30) days' prior notice by registered mail, return receipt requested, or overnight express mail.

The rights, duties and responsibilities of **ASES** and **SECOND PARTY** shall continue in full force and effect during the applicable notice period. **ASES**, however, shall be obligated to pay all fees and expenses incurred up to the effective date of termination, in accordance with the terms of this Agreement.

- 4. ASES shall compensate SECOND PARTY for the term of this Agreement up to the amount of one hundred and fifty thousand dollars (\$150,000.00), for an hourly rate of one hundred dollars (\$100.00) for services rendered.
- 5. The monthly amounts may also be increased subject to written approval by either the Executive Director or Sub-Director, but in no event may the yearly maximum amount be surpassed. Allocated amounts may be redistributed between line items, if necessary, by prior written authorization of the Executive Director or Sub Director only. In no event may the SECOND PARTY invoice more than the total amount allocated to this contract without a prior amendment registered with the Office of the Comptroller. SECOND PARTY is responsible for tracking the available balance under this Agreement.
- Payments made by ASES under the terms of this Agreement shall be paid from the budget item account corresponding to number 131-6320-2024-018.

7. **SECOND PARTY** shall submit monthly, detailed certified invoices to ASES for services

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Balance \$	
Invoice detail xxx	\$
Invoice xxx	\$
Invoice xxx	\$
Current invoice xxx	\$
Balance at the date of this invoice	\$

Each invoice must identify and detail the budget item for federal projects that will be billed with federal funds, as applicable. Those invoices must detail services by federal programs with a total for each project and the total billing. For example:

Example: Invoice for the federal program MMIS.

Example: Invoice for the federal program HITIMPLEMENTATION.

Example: ASES regular invoice.

8. SECOND PARTY shall submit all invoices in duplicate form. ASES will review the invoices and will proceed with proper payment if they are adequate. ASES will administer the payment by means of an electronic transfer pursuant to Appendix B of this Contract. ASES reserves the right to review all the invoices and perform all necessary audits. The invoice shall include the following certification in Spanish:

> Certifico bajo pena de nulidad absoluta que ningún servidor público del Departamento de Salud ni de la Administración de Seguros de Salud de Puerto Rico es parte o tiene algún interés en las ganancias o beneficios pecuniarios (en conjunto, "las Ganancias") producto del contrato objeto de esta factura; si fuera parte o tiene algún interés en las Ganancias, ha mediado una dispensa previa. La única consideración para suministrar los servicios objeto del contrato ha sido el pago acordado con el representante autorizado de las agencias. Certifico que el contenido de esta factura es justo y correcto y los servicios no han sido pagados.

9. All invoices shall be signed and mailed or physically delivered to the attention of:

POSTAL ADDRESS

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Edna Y. Marin Ramos, MA **Executive Director** Administración de Seguros de Salud P.O. Box 195661

San Juan, PR 00919-5661

PHYSICAL ADDRESS

Edna Y. Marin Ramos, MA **Executive Director** Administración de Seguros de Salud 1549 Calle Alda Urb. Caribe San Juan, PR 00926-2712

- 10. If SECOND PARTY does not comply with the above requirements in the submission of the invoices, it will waive its right to payment for services rendered.
- 11. ASES, it designees or the Controller's Office, shall have the right during the term of this Agreement or up to five (5) years after the term, to review and audit SECOND PARTY's records relating to SECOND PARTY's services under this Agreement.
- 12. SECOND PARTY will not receive any payment for services rendered under this Agreement until the Agreement has been registered at the Office of the Comptroller of the Government of Puerto Rico, as required by Act Number 18 of October 30, 1975, ADMINISTRACION DB as amended SEGUROS DE SALUD

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- 13. Neither this Agreement, nor the services to be provided hereunder, may be assigned or subcontracted without the written approval of ASES. The request to contract a third party must specify the matters in which he/she will intervene and must be submitted in writing. This request must be submitted in writing, and include the same documents and certifications required for government contracting that were required from SECOND PARTY prior to the granting of this contract. The delegation of services without the mentioned authorization will be sufficient cause to terminate this contract. Failure to comply with this clause will hold you responsible for any damages or losses that may be caused to ASES, whether directly or indirectly.
- 14. SECOND PARTY acknowledges the proprietary and confidential nature of all internal, non-public, information systems, financial and business information relating to ASES, the Government of Puerto Rico, its agencies, corporations, and municipalities and their personnel. SECOND PARTY and its employees shall keep in strict confidence all such information and shall not make public or disclose any said materials without the previous written consent of ASES. SECOND PARTY will ensure that any authorized subcontractor or expert is subject to this confidentiality obligation. The obligations for confidentiality in this agreement shall survive termination by both party and the expiration of this agreement.
- 15. SECOND PARTY will furnish ASES with reports, analysis or other such materials as ASES may reasonably request. All correspondence, communications, documents, reports, analysis or material produced or related to this Agreement shall at all-time be the property of ASES. Any such reports, documents, correspondence, analysis or materials shall be provided at no additional cost to ASES.
- 16. All Information created from Data, documents, messages (verbal or electronic), reports, or meetings involving or arising out of or in connection with this Agreement is property of ASES (hereinafter referred to as "ASES Data and Information"). Hence, all the documents related to the Agreement will be subject to evaluation and audits, and shall be made available, within a reasonable period of time and without modifications, for evaluation by ASES's personnel or their authorized representatives. Additionally, ASES will have the right to copy all the documents requested, at no cost.

In the same way, all documents related and produced as a result of this Agreement, including but not limited to: policies, procedures, analysis, protocols, and communications, must be made available and filed with ASES's representatives, without changes to their original format (no PDF), whenever requested. In the event that ASES request copies of these, the Contractor shall deliver them without

ADMINISTRACION DE SEGUROS DE SALTEMATIONS and/or omissions. The SECOND PARTY shall not refuse, and if so, it will



constitute an obstruction to the efforts of PRHIA's auditors and a breach of Contract subject to penalties and sanctions.

- 17. No deliverable, report, data, procedure or system created by the SECOND PARTY for ASES that is necessary to fulfilling the SECOND PARTY's responsibilities under the Agreement, as determined by ASES, shall be considered proprietary of the SECOND PARTY.
- 18. The SECOND PARTY shall make all Data and Information available to ASES or its authorized representatives, which will also provide the Data to CMS or other pertinent government agencies and authorities upon request. The SECOND PARTY 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.
- 19. The **SECOND PARTY** is required to perform transfers of knowledge on a continuous basis with ASES personnel. The **SECOND PARTY** will be responsible of delivering reports regarding current work and completed work to the area that administers this agreement, each six (6), nine (9) months since the signature of the agreement and on or before the date the of the last payment made under this contract, or within the first ten (10) days from the date of termination, whichever first, SECOND PARTY must have completed a transfer of knowledge that will guarantee an orderly continuity of services and labor, including source codes for programs, manuals, instructions and any other materials required to provide continuity and ensure that ASES personnel knows and understands completed and uncompleted tasks, as well as the status and items pending to complete unfinished tasks.
- 20. To the extent applicable to this Agreement, this Section describes the intellectual property ownership requirements that the **SECOND PARTY** shall meet:

ASES shall have all ownership rights, not superseded by other licensing restrictions, in all materials, programs, procedures, etc., designed, purchased, or developed by the SECOND PARTY and funded by ASES. The SECOND PARTY shall use Agreement funds to develop all necessary materials, programs, products, procedures, etc., and data and software to fulfill its obligations under the Agreement. The ASES funding used in the development of these materials, programs, procedures, etc. shall be documented by the SECOND PARTY. ASES shall have all ownership rights in data and software, or modifications thereof and associated documentation and procedures designed and developed to produce any systems, programs report and documentation and all other work products or documents created under the Contract. ASES shall have these ownership rights, regardless of whether the work product was developed by the SECOND PARTY or any Subcontractor for work product created in the performance of this Contract. ASES reserves, on behalf of itself, the U.S. Department of

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Health and Human Services and its contractors, a royalty-free, nonexclusive and irrevocable license to produce, publish or otherwise use such software, modifications, documentation and procedures. Such data and software includes, but is not limited to, the following:

- All computer software and programs, which have been designed or developed for ASES, or acquired by the SECOND PARTY on behalf of ASES, which are used in performance of the Agreement.
- b. All internal system software and programs developed by the SECOND PARTY or subcontractor, including all source codes, which result from the performance of the Agreement; excluding commercial software packages purchased under the Contractor's own license.
- All necessary data files. C.
- User and operation manuals and other documentation. d.
- System and program documentation in the form specified by ASES.
- f. Training materials developed for ASES's staff, agents or designated representatives in the operation and maintenance of this software.
- 21. To the extent applicable, ASES acknowledges that before executing this Agreement and contemplating the same, the SECOND PARTY may have 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 SECOND PARTY, as long as those programs or systems have not been developed or designed for ASES. Nevertheless, in case of for cause termination, 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. This shall be at no cost to ASES and such properties for a period of one hundred and twenty (120) Calendar Days to effect an orderly transition to any new SECOND PARTY or service provider. In any cases where the use of such systems from an operational perspective would also influence other lines of SECOND PARTY's business or where licensing restrictions cannot be remedied, the SECOND PARTY shall operate such systems on behalf of ASES. Such operation by the **SECOND PARTY** 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 **SECOND** PARTY's Data segment.
- 22. The SECOND PARTY shall not deny access to ASES's Data under any case or circumstances, nor retain ASES's Data while controversies between ASES and the SECOND PARTY are resolved and finally adjudicated.

ADMINISTRACE 3NSECOND PARTY acknowledges the Health Insurance Portability and Accountability SEGUROS DE SALUD



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Act of 1996 (better known as HIPAA), and that its privacy and security rules requires any entity covered by said legislation to train its workforce in their provisions on privacy, confidentiality and security of protected information, as defined in the Act and its regulations. The Act requires the covered entity to set policies and procedures relating to privacy, confidentiality, creation, management, transmission, and access of protected information, and to train its workforce in such policies and procedures. SECOND PARTY acknowledges that it is subject to compliance with the policies and procedures of HIPAA and ASES's procedures established for compliance with HIPAA and its regulations. Hence, SECOND PARTY must comply with all terms and policies of the HIPAA and must follow all standards for the handling of protected information. SECOND PARTY should ask all employees, subcontractors or agents to abide by the restrictions and conditions that apply to them in the management of protected information. SECOND PARTY certifies that it meets the standards set out on HIPAA and its regulations, as well as on any other state law that protects the privacy, confidentiality and security of information. ASES reserves the right to cancel this contract if SECOND PARTY does not comply with this section of the Agreement, the HIPAA, its regulations, and any state law or regulation regarding privacy, confidentiality and security of information.

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The parties agree to sign a Business Associate Agreement.

- 24. SECOND PARTY should report immediately to ASES any unauthorized use or disclosure, or suspected unauthorized use or disclosure, of any protected information immediately as SECOND PARTY becomes aware of the event. The report shall be made in writing and delivered to the Executive Director of ASES, including the following:
 - One or two sentence description of the event;
 - Description of the roles of the people involved in the event (e.g., employees, participant users, service Providers, unauthorized persons, etc.)
 - The type of Data / Information as well as Personal Health Information that was breached;
 - Enrollees likely impacted by the event;
 - Number of individuals or records impacted/estimated to be impacted by the event;
 - Actions taken by the SECOND PARTY to mitigate the event;
 - Current status of the event (under investigation or resolved);
 - Corrective action taken and steps planned to be taken to prevent a similar event.

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The SECOND PARTY 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.

- 25. SECOND PARTY agrees to indemnify and hold harmless ASES and/or the Government of Puerto Rico from all claims, suits, actions, liabilities, and reasonable attorney and defense costs, resulting from SECOND PARTY's negligent or willful misconduct in the execution of this Agreement.
- 26. SECOND PARTY acknowledges that in executing its professional services pursuant to this Agreement it has the obligation to exhibit complete loyalty toward ASES, including having no adverse interests with private or government entities or persons. Adverse interests include representing or servicing clients who have or may have interests that are contrary to ASES. This duty includes the continued obligation to disclose to ASES all circumstances of its relations with clients and third persons, and any interest that could influence SECOND PARTY, while this Agreement is in effect.

SECOND PARTY represents conflicting interests when, on behalf of one client it must support that which is its duty to oppose to comply with its obligations with another client. **SECOND PARTY** also represents conflicting interests when its conduct is described as such in the standards of ethics applicable to its profession, or in Puerto Rico's laws and regulations.

The conduct herein described by one of **SECOND PARTY's** directors, officers or employees shall constitute a violation of this prohibition. **SECOND PARTY** shall avoid even the appearance of the existence of a conflict of interest.

SECOND PARTY acknowledges the power of the Executive Director or its representative to oversee the enforcement of the prohibitions herein established.

27. Termination:

- A. This Agreement may be terminated by ASES for any reason and at any time upon thirty (30) days or less, depending of the contracted services, written notice to SECOND PARTY.
- B. Furthermore, SECOND PARTY's failure to comply with its duties and responsibilities and to perform the services set forth herein, or its negligence or unlawful behavior in the execution of the Agreement, shall constitute a breach of the Agreement by SECOND PARTY that entitles ASES to terminate this Agreement immediately without prior notice. ASES may also terminate this Agreement immediately without prior notice if probable cause for arrest is found or a judgment for conviction is entered against SECOND PARTY or any of its officers, employees, or subcontractors authorized by ASES under this

 Agreement, for any crime against the treasury, public faith, or for crimes involving public funds or property, either of state or federal origin; or if an extraordinary fiscal situation arises that justifies an immediate budget cut.

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- C. It is expressly agreed that SECOND PARTY will conclude any pending work at the time of cancellation of the contract, as required by ASES. ASES will not be obliged to pay additional compensation to the agreed under this contract. SECOND PARTY will not be entitled to any additional compensation except the already billed until that date. The SECOND PARTY expressly acknowledges that in the eventuality of not existing or allocating funds for the payment of the contracted services, the contract will be terminated with no other right than to collect what has already been worked.
- D. It is noted that if the SECOND PARTY is part of the Registry of Convicted Persons for Corruption and Related Offenses "Registro de Personas convictas por Corrupción y Delitos Relacionados", this Contract will be null and the funds paid will have to be returned to ASES.
- E. In accordance with Guide #16 of Circular Letter No. 93-11 of October 25, 2011, issued by the Office of Management and Budget of the Government of Puerto Rico, all contracts that are: (a) awarded in an electoral year; (b) paid with resources of funds allocated by the Legislature; and (c) have a contract term extending beyond December 31, 2020, may be rescinded at any time after December 31, 2020 by the new officials appointed during the new four-year administration period.

28. Conflict of Interest:

- A. SECOND PARTY certifies that neither it, nor any of its employees or officers, has an interest in this agreement that may interfere with their official duties as employees of any agency, instrumentality, public corporation or municipality of the Government of Puerto Rico.
- B. SECOND PARTY certifies that at the time of the execution of this Agreement, it does not have nor does it represent anyone who has interests that are in conflict with those of the Government of Puerto Rico, or any of its agencies or municipalities, or ASES. If such conflicting interests arise after the execution of this Agreement, SECOND PARTY shall notify ASES immediately.
- C. SECOND PARTY certifies that it does have other contracts with the Comprehensive Cancer Center of the University of Puerto Rico (CCCUPR), providing operational and financial support.

29. Subcontractors:

A. ASES and SECOND PARTY agree that SECOND PARTY status hereunder, and the status of any agents, employees and subcontractors or experts engaged by SECOND PARTY shall be that of an independent contractor only and not that of an employee or agent or ASES. SECOND PARTY recognizes that it shall not be entitled to employment benefits such as vacations, sick leave, retirement benefits

ADMINISTRACION Dend others because of its condition as an independent contractor. **SECOND** SEGUROS DE SALUD

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PARTY shall not have any power or right to enter into agreements on behalf of **ASES**.

30. Certifications:

- A. By virtue of Act 73-2019 from the Puerto Rico General Services
 Administration (ASG by its Spanish acronym) the SECOND PARTY certifies
 the submission of the CERTIFICACIÓN ÚNICA DEL REGISTRO DE PROVEEDORES
 DE SERVICIOS PROFESIONALES (RUP) emitted by ASG. It is expressly
 acknowledged that this certification is an essential condition of this Agreement.
 With the RUP certification the SECOND PARTY:
 - i. Certifies and guarantees that as of the date of execution of this Agreement and to the best of its knowledge, it has not been convicted and none of its shareholders, employees, officers, or agents have been convicted, have probable cause, and that it has no knowledge that any of the foregoing is subject of any investigation, in connection with a civil or criminal procedure in state or federal court for criminal charges related to the public treasury, the public trust, a public function, or a fault that involves public funds or property including SECOND PARTY its subsidiaries and/or a parent company. If the previously submitted certification to ASG is not correct in its entirety or in any of its parts, it shall constitute sufficient cause for ASES to terminate this Agreement immediately, without prior notice. If the status of SECOND PARTY with regards to the charges previously mentioned should change at any time during the term of the Agreement, it shall notify ASES promptly. The failure to comply with this responsibility constitutes a violation of this Section and shall result in the remedies mentioned previously.
 - ii. Certifies that at the time of execution of this Agreement it is not engaged in or is a party to any lawsuit against the Government of Puerto Rico, or any of its instrumentalities, agencies or municipalities.
 - iii. Certifies that as of the date of execution of this Agreement and during the past five (5) years, it has not been required to file Puerto Rico tax returns, and Social Security tax returns with the U.S. Government as required by applicable law. SECOND PARTY has submitted a Negative Certification of Debt from the Treasury Department of the Government of Puerto Rico.
 - It is expressly acknowledged that this is an essential condition of this Agreement, and if this certification is incorrect, ASES shall terminate this Agreement immediately and SECOND PARTY will have to reimburse ASES.
 - By the end of this Agreement, the SECOND PARTY will present an updated Certification of Debt. The SECOND PARTY

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acknowledges that the last payment owed under this Agreement will be disbursed if such Certification of Debt is negative and no money is owed to the Treasury Department of the Government of Puerto Rico. If by the end of this Agreement there is an outstanding balance owed that cannot be cleared by the Treasury Department, the SECOND PARTY agrees to cancel the amount through retention from last payment.

- 3. For purposes of this Agreement, tax debt shall mean any debt that SECOND PARTY or any of its officials or other parties which ASES authorizes SECOND PARTY to subcontract, may have with the Government of Puerto Rico for income taxes, excise taxes, real or chattel property taxes, including any special taxes levied, license rights, tax withholdings for payment of salaries and professional services, taxes for payment of interests, dividends and income to individuals, corporations and non-resident partnerships, for payment of interests, dividends, and other earnings shares to residents, and social security for chauffeurs.
- iv. Has provided ASG with a certificate of existence issued by the Department of State of the Government of Puerto Rico and a corporate resolution where SECOND PARTY expressly authorizes the undersigned to execute this Agreement on behalf of the corporation, if applicable. It is expressly acknowledged that these are essential conditions of this Agreement, and if these certifications previously submitted to ASG are incorrect, ASES shall terminate this Agreement immediately and SECOND PARTY will have to reimburse ASES.
- v. That as of the execution of this Agreement, it is current on payment of workers' compensation premiums in accordance with applicable law. SECOND PARTY has provided ASG with a negative certification of debt from the Workers Compensation Corporation of the Government of Puerto Rico, if applicable. It is expressly acknowledged that this is an essential condition of this Agreement, and if the certification previously submitted to ASG is incorrect, ASES shall terminate this Agreement immediately and SECOND PARTY will have to reimburse ASES.
- vi. Agrees to pay all unemployment insurance premiums due in accordance with applicable law. SECOND PARTY represents that as of the date of execution of this Agreement, it is current on payment of unemployment insurance premiums due in accordance with applicable law and has submitted to ASES a negative certification of debt from the Department of Labor and Human Service of the Government of Puerto Rico. It is expressly acknowledged that this is an essential condition of

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this Agreement, and if the certification previously submitted to ASG is incorrect, ASES shall terminate this Agreement immediately and SECOND PARTY will have to reimburse ASES.

- vii. Warrants that at the time of execution of this Agreement it has no obligation to retain child support payments. SECOND PARTY has provided ASES with a certificate of no debt from the "Administración de Sustento de Menores" ("ASUME"). It is expressly acknowledged that this is an essential condition of this Agreement, and if the certification previously submitted to ASG is incorrect, ASES shall terminate this Agreement immediately and SECOND PARTY will have to reimburse ASES.
- viii. Represents that as of the date of execution of this Agreement, it is current on payment of property taxes in accordance with applicable law. SECOND PARTY has provided ASES with a negative certification of debt from the "Centro de Ingresos y Recaudación Municipales" of the Government of Puerto Rico. It is expressly acknowledged that this is an essential condition of this Agreement, and if thes certification previously submitted to ASG is incorrect, ASES shall terminate this Agreement immediately and SECOND PARTY will have to reimburse ASES.
- ix. Has provided, as a condition for the execution of this Agreement, the following certifications to ASG:
 - Certification of having filed income tax returns in the past five (5) years from the Treasury Department of Puerto Rico (Model SC-6088)
 - Certification from Puerto Rico's Treasury Department attesting that there is no outstanding debt or, if a debt exists, that it is subject to payment plan (or pending administrative review under applicable law or regulations) (Model SC-6096)
 - 3. Certification from Puerto Rico's Center for the Collection of Municipal Revenues ("CRIM" for its Spanish acronym) certifying that there is no outstanding debt in the past five (5) years or, if a debt exists, that it is subject to payment plan (or pending administrative review under applicable law or regulations).
 - Certification from Puerto Rico's Department of Labor and Human Resources of compliance with unemployment insurance, temporary disability insurance and/or chauffeur's social security, if applicable.
 - Certification of incorporation from the State Department of Puerto Rico.

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- 6. Certificate of Good Standing
- 7. Certifications of no outstanding alimony or child support debts, if applicable.
- 8. Merchant Registry Certification (Model SC 2918)
- Certification of Sales Tax Return File (IVU for its Spanish acronym) (model SC 2927) and if apply, certification of No Debt of Sales Tax Return.
- x. It is expressly recognized that the foregoing are material conditions of this Agreement. In the event the above certifications and acknowledgments contained in this clause are not correct, in whole or in part, it shall be sufficient cause for ASES to terminate the Agreement and SECOND PARTY shall reimburse ASES any sum of monies received under the same.
- 31. Both **PARTIES** hereby declare that, to the best of their knowledge, no public officer or employee of the Government of Puerto Rico, its agencies, instrumentalities, public corporations or municipalities or employee of the legislative or judicial branches of the government has any direct or indirect interest in the present Agreement that is not duly recognized by law; that no person requested or accepted gifts, gratuities, favors, services, donations, loans or anything else in return for this Agreement; that no person requested or accepted any goods from **SECOND PARTY** as payment for performing the duties and responsibilities of their jobs with **ASES**; and that **SECOND PARTY** has no family relationship, within the fourth degree of consanguinity or second degree of affinity, with any official or employee of **ASES** with the power to influence and participate in public policy decisions of **ASES**.
- 32. SECOND PARTY is an independent contractor and as such shall be responsible of the payment of its income taxes and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the US Internal Revenue Code. SECOND PARTY is not entitled to fringe benefits, such as retirement or disability. ASES will neither retain, nor discount, any amounts from payments made to SECOND PARTY for income tax purposes or for Social Security, except those applicable in accordance with the Puerto Rico Internal Revenue Code and its regulations.
- 33. SECOND PARTY will offer professional and consulting services to ASES. Therefore, ASES will be responsible for the withholding of one point five (1.5) percent of the amounts paid under this Contract and shall forward such withholding to the Treasury Department of the Government of Puerto Rico pursuant to Public Law

Number 48-2013.

ADMINISTRACION DE SEGUROS DE SALUD

2 4 - 0 0 0 3 5 A. The Code of Internal Revenue establishes that **ASES** will withhold ten (10)

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percent from the professional services payment rendered under this Agreement, if it is a foreign corporation under the law of any state, twenty (20) percent of the payment will be withhold and if it is a foreign corporation under the law of other country, it will be withhold twenty-nine (29), percent unless the **SECOND PARTY** presents to **ASES** a retention waiver from the Treasury Department of the Government of Puerto Rico. The items to defray the subsistence allowance, accommodation or other similar expenses will not be subject to withholding.

34. SECOND PARTY warrants and agrees that in the provision of services under this Agreement it will not discriminate on the basis of race, color, gender, origin or social status, age, political or religious beliefs or any other discriminating cause. SECOND PARTY also acknowledges that under the provisions of Act No. 46 of March 4, 2002 it cannot discriminate against a person for his or her sexual orientation, gender, gender identity, ethnicity, marital status, birth, or for the person's physical or mental impairment.

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- 35. **SECOND PARTY** also certifies and warrants that at the moment the execution of this Agreement is in complete compliance with Public Law Number 168 of 2000, as amended, also known as "Ley de Mejoras al Sustento de Personas de Edad Avanzada de Puerto Rico."
- 36. **SECOND PARTY** agrees that in connection with the services provided hereunder, it will comply with all the applicable employment laws and regulations.
- 37. Documents presented by THE SECOND PART that will become part of the Contract:
 - A. Certification issued by the ASG as parto f the active registry on the Registro Único de Proveedores de Servicios Profesionales (RUP).
 - B. Contractor Certification Requirement indicating if any subcontractor will be needed in connection with this Agreement.
 - C. HIPAA training evidence, if applies.
 - D. Conflict of Interest Certification by virtue of the PR Government Ethics La.
 - E. Evidence of active registry on the System for Award Management (SAM).
- 38. SECOND PARTY certifies that it has received a copy of and agrees to comply with Act No. 84 of June 18, 2002, as amended, which establishes the Code of Ethics for contractors, suppliers and applicants for economic incentives of the Executive Agencies of the Government of Puerto Rico and the Government Ethics Law, Act No. 12, enacted on July 24, 1985, as amended.
- 39. No amendment of this Agreement shall be valid unless in writing and signed by both

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40. Unless otherwise provided in this Agreement, any notice to the parties required or permitted hereunder will be deemed to have been duly given as of the date of receipt if in writing and delivered personally, mailed by certified mail, return receipt requested, or sent by overnight delivery by the U.S. Postal Service or other independent carrier, to the following: ADMINISTRACION DB SEGUROS DE SALUD

Carmen I. Figueroa Vélez PO Box 9023136 San Juan, PR 00902-3136

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Puerto Rico Health Insurance Administration (ASES)ntrato Número PO Box 195661 San Juan, PR 00919-5661

Either party may change its address for notice by giving the other party prior written notice of the new address in conformity with the foregoing provisions of this Section and the date upon which such new address will become effective.

- 41. SECOND PARTY acknowledges that it cannot continue to provide services under this Agreement after its expiration date or when such services entail payment of an amount that exceeds the total allowed for this Agreement. No services will be paid in violation of this clause, and any request and acceptance of services in violation of this provision will be made without any legal authority and will not bind ASES.
- 42. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all other oral or written representations, understandings or agreements relating to the subject matter hereof. Neither party shall be bound by the provisions of any pre-printed or other written terms and conditions subsequent to the date of this Agreement relating to the subject matter hereof unless such additional terms and conditions are made effective pursuant to the Amendments subsection of this section.
- 43. If any provision of this Agreement is declared or found to be illegal, unenforceable, or void, then such provision shall be invalid, but each other provision hereof not so affected shall be enforced fully as permitted by applicable law.
- 44. This Agreement shall be governed by and construed in accordance with the laws of the Government of Puerto Rico. The courts and authorities of the Government of Puerto Rico shall have jurisdiction over all controversies that may arise with respect to this Agreement. The parties hereby waive any other venue to which they might be entitled by virtue of domicile or otherwise. Should either party initiate or bring suit or action before any other court, it is agreed that upon application, any such suit or action shall be dismissed, without prejudice, and may be filed in accordance with this provision. The party bringing the suit or action before a court not agreed to herein shall pay to the other party all the costs of seeking dismissal including reasonable

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attorney's fees.

45. **ASES** certifies that the present contract has the appropriate governmental authorizations necessary for its execution and according to provisions in the Act Number 66 of June 17 2014, known as the "Fiscal and Operational Sustainability Act of the Government of the Commonwealth of Puerto Rico".

Nevertheless, **ASES** is not exempted from registering this transaction in the Government of Puerto Rico Office of Management and Budget (OGP by its Spanish acronym) Electronic Platform.

46. Circular Letter 001-2021 from the Office of Management and Budget of January 11, 2021.

A. Interagency services:

- i. Both contracting PARTIES acknowledge and agree that the contracted services may be provided to any entity of the Executive Branch with which the contracting entity makes an interagency agreement or by direct order of the Office of Government Chief of Staff (Oficina del Secretario de la Gobernación). These services will be performed under the same terms and conditions regarding hours of work and compensation set forth in this Agreement. For the purposes of this clause, the term Executive Branch entity includes all agencies of the Government of Puerto Rico, as well as public instrumentalities and corporations.
- ii. For purposes of this Section, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico, as well as instrumentalities and public corporations, and the Office of the Governor.

B. Termination:

- The Government Chief of Staff shall have the power to terminate this Agreement at any time.
- ii. In case this Agreement is exempted from authorization from the Government Chief of Staff according to the dispositions specified in Circular Letter 001-2021, the Government Chief of Staff shall have discretion to take any necessary steps in those situations when a breach or potential breach with the public policy established by the Governor is observed.
- C. Financial Oversight and Management Board Contract Review Policy for Puerto Rico: The Parties acknowledge that the CONTRACTOR [SECOND PARTY] has submitted the certification entitled "Contractor Certification Requirement" required in accordance with the Contract Review Policy of the Financial Management and Oversight Board for Puerto Rico, effective

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November 6, 2017 and as amended on October 30, 2020, signed by the Executive Director of the Contractor (or another officer with an equivalent position or authority to issue such certifications). A signed copy of the "Contractor Certification Requirement" is included as an annex to this agreement.

47. "A la fecha del otorgamiento de este contrato la solicitud de autorización sometida ante la Oficina de Gerencia y Presupuesto y la Oficina de la Secretaría de la Gobernación se encontraba en proceso de evaluación determinación final, por lo cual, luego de evaluar las disposiciones contenidas en la Carta Circular Núm. OSG-2020-001, se concluyó que el contrato cumple con todos los criterios estipulados en la referida normativa y cumple con las leyes y la reglamentación vigente aplicables a esta contratación". / "At the date of the signature of this Agreement, the request for authorization submitted to the Office of Management and Budget (OGP) and the Office of the Government Secretary was in the process of evaluating the final determination, therefore, after evaluating the provisions contained in the Circular Letter No. GSO-2020-001, it was concluded that the contract meets all the criteria stipulated in said regulation and complies with the laws and regulations in force applicable to this contract".

IN WITNESS WHEREOF, the parties hereto sign this Agreement, in San Juan, Puerto Rico this / day of @ugust2023.

PUERTO RICO HEALTH
INSURANCE ADMINISTRATION

Edna Y. Marín Ramos Executive Director

EIN:

SECOND PARTY

Carmen Figueroa Vélez

uch

SS:

Budget item account: 131-6320-2024-018

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Professional Services Proposal Puerto Rico Health Insurance Administration

Notification #NNSP-2023-019-FIN May 1, 2023

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Background

The Puerto Rico Health Insurance Administration better known as ASES, for its Spanish acronym, is a public corporation that administers the Puerto Rico Government Health Program (GHP) by means of contracts with managed care organizations and assures compliance with the Centers for Medicaid and Medicare Services regulations for the Puerto Rico Medicaid program. The total population under the GHP is almost half of Puerto Rico's population. Its budget is currently the highest among Puerto Rico's governmental agencies and public corporations, thereby the need for oversight from different regulatory organizations. As a result, administering, monitoring, overseeing the health program as well as complying with reporting and regulations from the different stakeholders is a challenge. Furthermore, the new Vital Contracts with the managed care organizations (MCO's) effective January 1, 2023, and the approval of the 2023 Consolidated Appropriations Act, which increases federal allotments between \$3.3 B and #3.8 B for federal fiscal years 2023 thru 2028 and extends the FMAP to 76% will add upon ASES additional burden of tasks and compliance requirements that need to be performed within a specific period and limited resources.

Scope of Proposal

Puerto Rico Health Insurance Administration, represented by its Executive Director, Edna Y. Marín Ramos has issued Notification #NNSP-2023-019-FIN requesting the need for consulting and professional services of a financial advisor to provide the following services:

- > Consulting in Accounting and Budgeting and financial compliance with State and Federal Government.
- Preparation of fiscal budgets, financial and expenditure reports pursuant to governmental requirements (Office of Management and Budget Government of PR, Financial Oversight and Management Board for Puerto Rico, Puerto Rico Treasury Department).
- > Review PRHIA's reports, performance of financial audits, and account statements.
- Prepare, evaluate and support PRHIA's payment processes.
- > Review proposed bills that will have a financial impact upon PRHIA.
- Prepare and/or collaborate in the preparation of memorandums for PRHIA's budget process.

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- About Carmen I. Figueroa Vélez

- My success in the healthcare industry can be attributed to more than twenty-five years of experience in various job positions within different industries which contributed to my professional development by achieving extensive financial knowledge, organizational, communication, interpersonal, management and leadership skills. For the last eleven years, I have worked directly with the Puerto Rico healthcare industry, primarily in the financial and regulatory sector for the PR Health Insurance Administration (PRHIA) and in the private sector for various healthcare providers, particularly hospitals and ambulatory clinics. Throughout my vast experience I have established strong professional relationships in the state and federal public sector as well as in the private sector with insurance carriers as well as healthcare consultants and providers.
- > In 2012, I was contracted as a Fiscal Analyst in PRHIA's Finance Department where I led an important project with the Third-Party Administrator (Triple-S) to monitor claims payments. In addition, I worked closely with the Government Development Bank to provide the monthly financial statements as required under the Fiscal Oversight Agreement and was able to oversee the issue of PRHIA's audited financial statements within the due date. Subsequently, I became the Chief Financial Officer for PRHIA during one of the most difficult crises faced by the public corporation due to the nonrenewal of the \$100 million line of credit that PRHIA had with the private banking sector thereby creating a fiscal and cash flow crisis for the current TPA model and the upcoming new Manage Care Organization contracts. As a result, I created cash flow projections and engaged in negotiations directly with the Centers for Medicare and Medicaid Services (CMS), top executives from the managed care organizations (MCO's), US and PR government officials from all sectors to establish agreements to pay the MCO's premiums in installments and avoid disruption of healthcare services to Medicaid beneficiaries. Nonetheless, I was able to overcome the many challenges and achieve stabilizing PRHIA's financial situation by paying healthcare providers the recognized debt assessed by the Third-Party Administrator without a revolving line of credit and closing fiscal year with a surplus.
- ➤ Following my experience in the public sector, I turned to the private sector and took a position as Finance VP in Metro Pavia Clinics and later as Chief Financial Officer for San Jorge Children and Women's Hospital. Being on the other side of the healthcare spectrum I gained experience in addition to overseeing the Finance department, negotiating reimbursement models with insurance carriers and supervising and restructuring the revenue cycle to maximize efficiency. Overall, I Manager Telegraphicon DB departments comprising of approximately 80 employees.

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- ▶ For the past three years I have engaged in consulting services to provide financial and operational support to PRHIA's Executive and Finance Department. I have collaborated in participating in budget and projections meetings with FOMB, OGP and AAFAF to discuss the financial impact of PRHIA's actuarial projections. I have prepared letters and explanatory memorandums for fiscal year budget preparations and assisted the Executive Office in its fiscal plan and projects to comply with federal, local authorities and FOMB. In addition, I have supported Finance's oversight functions of the Vital Contract including reporting requirements and reviewed monthly interim financial statements. I have participated in the coordination of operational requirements needed within the Finance Department due to the implementation of the CMS Medicaid Drug Rebate Program. I have also participated in the monthly meetings of the Audit and Compliance Committee of the Board of Directors and provided feedback and explanations as requested by the Committee.
- In addition, for two years I have engaged in consulting services to provide operational and financial support for the Comprehensive Cancer Center of the University of Puerto Rico (CCCUPR). I participated in the implementation of the electronic health record (EHR) of the Hospital and have collaborated with the Executive Director and Chief Financial Officer in establishing strategies to maximize the Hospital's revenue cycle and maximize financial reports within financial modules of the EHR. In addition, I collaborated with the Executive team in the preparation of the Strategic Plan of the Hospital presented to FOMB. Considering that CCCUPR is a governmental hospital and the services I provide are geared towards helping improve their financial and organizational structure, it is my opinion that there is no conflict of interest with providing services to PRHIA.
- > For additional information regarding achievements and work historyience please refer to my curriculum vitae attached.

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Fees, payments, and service terms

DESCRIPTION OF SERVICE	STANDARD PROFESSIONAL FEE
Financial Advisory and consulting professional services	\$100.00 per hour

The following terms and conditions apply to the proposed services:

- > Professional service fees will be billed as incurred.
- Professional service fees will be invoiced monthly with a detailed breakdown of tasks performed and the hours associated with each task.
- If there is any need for additional service hours for a determined period, it will be agreed among the parties to follow the formal administrative process.
- > Professional service fees are strictly based on consulting and fiscal services; and
- > Invoices duly submitted are due on or before 15 days after submission.
- > Checks are payable to:

Carmen I. Figueroa Vélez PO Box 9023136 San Juan, PR 00902-3136

> ADMINISTRACION DE SEGUROS DE SALUD

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Privacy & Confidentiality Statement

It is understood to this proposal that Carmen I. Figueroa Vélez and Puerto Rico Health Insurance Administration, hereafter "the parties", would provide each other with certain information that may be considered confidential and that may contain Personal Health Information (PHI) under the HIPAA regulation. The following agreement between "the parties" will be considered for this proposal:

- to use Confidential and PHI Information only for completing the scope of the proposal, as described previously,
- to limit disclosure of Confidential and PHI Information within its own organization to its directors, officers, partners, members and/or employees having a need to know; and
- to not disclose Confidential and PHI Information to any third party (whether an individual corporation or other entity) without prior consent from the Puerto Rico Health Insurance Administration.

Proposal's Approval

I,EDNA Y. MARIN RAMOS, as a r Insurance Administration, agree and approve the I. Figueroa Vélez, CPA in the May 1, 2023, prop	e fees and services as presented by Carmen
Edna I. Marín Ramos Puerto Rico Health Insurance Administration	Carmen I. Figueroa Vélez Consultant
Date	DateADMINISTRACION DE SEGUROS DE SALUD

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Attachment

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(787) 407-9123

carmfigueroa@gmail.com

Professional Profile

An energetic executive with experience as Chief Financial Officer in the healthcare industry in the private and public sectors. Leadership and negotiation skills with Government and Bank key officials, investment bankers, health insurance carriers, health services providers and vendors. Excellent communication skills in establishing strong business relationships with Federal, State and Local entities. Strong project management skills. Extensive experience in financial reporting, budgeting and forecasts, and revenue cycle. Well-rounded background acquired throughout various job positions across different industries.

Professional Accomplishments

Financial Oversight and Compliance, Reporting, Budgeting and Forecast

- Strengthened overall business processes by generating actionable monthly reviews to monitor systems to measure and communicate performance to shareholders, as well as overseeing vendor relations for an acute care hospital.
- Oversaw finance and revenue cycle of ambulatory clinics with urgency care centers, ambulatory surgeries, and ancillary services under the name of Metro Pavia Clinics throughout twelve locations within Puerto Rico.
- Managed budget of \$2.8Bn (\$1.6Bn in federal funds and \$1.2Bn in local funds) for the PR Government Health Program covering 1.5mm beneficiaries under the Medicaid Program including dual-eligible population enrolled under Medicare Advantage Companies managed by the PR Health Insurance Administration (PRHIA).
- Turned around a \$200mm projected deficit into a \$22mm and \$93mm surplus by implementing cost constraint measures and maximizing revenues to increase cash flows of the Puerto Rico Health Insurance Administration (PRHIA) for fiscal years 2014-2015 and 2015-2016, respectively.
- Worked closely with Centers for Medicaid and Medicare Services (CMS) to ascertain compliance of the PR Government Health Program with federal regulations, reporting, and federal funding requirements.
- Oversaw health insurance carriers to ascertain financial compliance as required under the PR Government Health Program and the PR Office of the Insurance Commissioner.
- Addressed and reduced 14 audit findings discovered by the Office of Controller in August 2013.

Financial Management

- Reached agreement with CMS for alternate methodology to obtain federal funds share reimbursement amidst local financial constraints due to lack of a revolving line of credit.
- Evaluated the financial impact of proposed measures that affected the PR Government Health Plan.
- Decreased operating expenses by approximately \$1mm over two years to improve EBITDA of a hospital.
- Secured the fiscal stability of PRHIA's operation by achieving savings of approximately \$126mm by negotiating the premium rates with Managed Care Organizations.
- Reduced approximately \$300mm in debt to health providers within one year without external financing by efficiently managing PRHIA's cash flows.
- Negotiated with PR municipalities' majors to reach an agreement to end withholding of municipal contributions to the PR Government Health Plan and increase PRHIA's cash flow by \$25mm.

Project Management and Implementation

- Collaboration with the impact in Finance of implementation of CMS Medicaid Drug Rebate Program in PRHIA.
- Oversight of hospital's electronic health record implementation and revenue cycle operating procedures.
- Implemented projects for cost reduction and revenue enhancement, revenue cycle and labor and supply costs.
- Established internal controls to monitor Electronic Health Record Incentive payments to Medicaid providers and \$230mm monthly expenditures to health care providers through a Third-Party Administrator Model.
- Financial lead in analyzing and implementing new federal and local regulations in the PR Government Health Plan.

Leadership and Supervisory Skills

dership and Supervisory Skills

ADMINISTRACION DI
Managed the Finance, Information Technology, Billing and Collections, Utilization Management, Health Information
SEGUROS DE SALUD Management, Purchasing and Patient Social Services Departments for a 167-bed acute care hospital.

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Carmen I. Figueroa Vélez, CPA

- Met with key stakeholders such as PR Government key officials, US Treasury staff and leaders of multi-sectorial health organizations to address the impact of the Government fiscal situation and public policy.
- Established a result-oriented environment to maximize efficiency and continuous improvement in the Finance and Accounting Department.

Work History

PR Health Insurance Administration, San Juan, PR
Financial Consultant, May 2020-present
Chief Financial Officer, February 2014-December 2016
Financial Consultant, June 2012-February 2014

UPR Comprehensive Cancer Center Hospital, San Juan, PR Financial Consultant, May 2021-present

Neighborhood Health Solutions, Inc.
Bookkeeping Services, September 2021-November 2022

San Jorge Children & Women's Hospital, San Juan, PR Chief Financial Officer, January 2018-March 2020

Metro Healthcare Management System, San Juan, PR Vice President Finance, February 2017-December 2017

Arcos Dorados (Mc Donald's), San Juan, PR Accounting & Tax Manager, February 2011-June 2012

Computer Expert Group, Guaynabo, PR Controller, March 1999-February 2011

Citibank, San Juan, PR Financial Officer, May 1997-February 1999

KPMG Peat Marwick, San Juan, PR Audit & Tax Supervising Senior, February 1994-May 1997

Master Foods (Mars Corporation), Bayamon, PR Forecasting Analyst, August 1992-May 1994

Arthur Andersen, San Juan, PR Staff Auditor & Tax Consultant, September 1989-August 1992

Education

Bachelor of Business Administration, Magna Cum Laude, May 1989 University of Puerto Rico, Rio Piedras, PR Certified Public Accountant, September 1993

Professional & Volunteer Organizations
Puerto Rico Society of CPA's
Healthcare Financial Management Association (HFMA) PR Chapter

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