

**COMMONWEALTH OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY**

**CONTRACT 2019-P00046 ^D
FOURTH AMENDMENT**

APPEAR

AS FIRST PARTY: The Puerto Rico Electric Power Authority (PREPA), a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act 83 of May 2, 1941, as amended (Act 83), represented in this act by its Chief Executive Officer/Executive Director, José F. Ortiz Vázquez, of legal age, married and resident of San Juan, Puerto Rico. -----

AS SECOND PARTY: Triple-S Salud, Inc. (Administrator), a corporation organized and existing under the laws of the Commonwealth of Puerto Rico, herein represented by its President, Madeline Hernández Urquiza, of legal age, single and a resident of San Juan, Puerto Rico, duly authorized to appear in representation of the Administrator by Certificate of Incumbency dated December 26, 2019. -----

Both PREPA and Administrator are herein individually referred to as a "Party" and collectively referred to as the "Parties".-----

WITNESSETH

WHEREAS, PREPA, by virtue of its enabling act (Act 83), has the authority to engage those professional, technical and consulting services necessary and convenient to the activities, programs, and operations of PREPA; -----

WHEREAS, on December 27, 2018 the Parties executed the Contract 2019-P00046 (hereinafter referred to as “Contract”) for the administration of PREPA’s health benefits plan for its Active Employees, their eligible dependents, spouses, and dependents of employees that died as a consequence of a workplace accident (hereinafter referred to as “The Plan”). The Contract was originally effective until December 31, 2019.-----

WHEREAS, as a result of PREPA’s Request for Proposal (RFP) 97716, on December 27, 2019, the Parties executed the Contract 2020-P00065 (hereinafter referred to as “New Contract”) to provide PREPA the same administration services during 2020.-

WHEREAS, through Resolution of December 27, 2019 the Puerto Rico Court of Appeal, upheld a complaint brought by MMM Healthcare, LLC (case KLRA2019-00796), requesting the stay of PREPA’s administrative proceedings related to the execution of a contract under the RFP 97716. -----

WHEREAS, through Resolution dated December 30, 2019, notified on December 31, 2019, the Puerto Rico Court of Appeals, sustained the stay of PREPA’s administrative proceedings related to the execution of a contract under the RFP 97716.-----

WHEREAS, after considering the adverse effect that the above-mentioned stay could have in the beneficiaries of PREPA’s health plan, on December 31, 2019 the Parties executed a First Amendment to the Contract extending its term for a thirty (30) days period or until the final determination of the Court of Appeals regarding case KLRA2019-00796, whichever occurs first. On January 30, 2020 the Parties executed a Second Amendment to the Contract extending its term until February 29, 2020 or until the final determination

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of the Court of Appeals regarding case KLRA2019-00796, whichever occurs first. On February 28, 2020 the Parties executed a Third Amendment to the Contract extending its term until March 31, 2020 or until the final determination of the Court of Appeals regarding case KLRA2019-00796, whichever occurs first.-----

WHEREAS, considering that as of this date the Court of Appeals has not yet resolved, nor has it lifted the stay of proceeding in case KLRA2019-00796, the Parties consider it necessary and convenient to extend the Contract term for an additional period, specifically until April 30, 2020, or until the Court of Appeals issues its final determination in case KLRA2019-00796, whichever occurs first.-----

THEREFORE, in consideration of the mutual covenants and agreements contained in this amendment, hereinafter stated, the Parties agree themselves, their personal representatives, and successors as follows: -----



TERMS AND CONDITIONS

FIRST: The Parties agree to amend the *Article 4 - Term of this Contract*, to extend its term until April 30, 2020. Nevertheless, if during this period of extension, the Court of Appeal issues its final determination in case KLRA2019-00769, in a manner favorable to PREPA, the Parties agrees that the terms and conditions of the New Contract will come into effect immediately. -----

SECOND: The Parties agree to amend *Article 27 - Payment for Services Cost-Plus Type Contract*, to read as follows: -----

PREPA shall pay to the Administrator, the cost of all products and services rendered to Subscribers, after they have been paid by the Administrator to the providers or reimbursed to the Subscribers, according to the terms and conditions established in this Contract. Provided, that the amount of the payment shall not be greater than the corresponding amount, according to the Negotiated Rates with the providers by the Administrator, plus any applicable taxes approved by the Government of Puerto Rico after the execution of this Contract. PREPA acknowledges that services rendered prior to the termination or expiration are not invoiced immediately to the Administrator. Therefore, PREPA will be held responsible for the payment of any and all claims for covered services rendered while this Contract is in force.-----

An agreed amount will be paid in addition to the direct cost, to cover all the administrative expenses incurred by the Administrator, broker's commission, and Stop Loss premium. In this Cost-Plus financing agreement there is a fixed amount agreed to cover broker's commission, Stop Loss premium and all administrative expenses of \$34.00 Per Employee Per Month (PEPM) for the first year of this Contract. The components of this fixed amount are as follows:

- \$3.30 PEPM for broker's commission;-----
- \$9.99 PEPM to cover the premium of a Specific Stop Loss (SSL) limit insurance with an attachment point of \$125,000.00 per employee, as qualified on page 5;



- \$20.71 PEPM for administrative expenses (composed by \$0.80 PEPM for Teleconsulta plus \$19.91 PEPM to cover other general administrative expenses).-----

The Administrator agrees to grant PREPA a bundling credit of \$34.00 Per Employee Per Month (PEPM). This bundling credit is effective as long as PREPA's Active Employee and Retired Employee populations are both served by Triple-S.-----

Specific Stop Loss insurance (SSL) covers individual loss amounts in excess of \$125,000 at a rate of \$9.99 PEPM, for all claims incurred between January 1, 2019, and April 30, 2020 and paid through April 30, 2021, except for the following:-----

1. Members exceeding \$125,000 in claims incurred between January 1, 2019 and December 31, 2019, and paid before December 31, 2019, cease to be eligible for SSL coverage for claims incurred between January 1, 2020 and April 30, 2020.-----
2. Members exceeding \$95,000 in claims incurred between January 1, 2019 and March 31, 2020, and paid before March 31, 2020, cease to be eligible for SSL coverage for claims incurred between April 1, 2020 and April 30, 2020.-----



There is also an Aggregate Stop Loss limit (ASL) of 110% which covers aggregate loss amounts in excess of \$475.55 PEPM at a rate of \$19.97 PEPM for all claims incurred during the period of January 1, 2019 to April 30, 2020, and paid through April 30, 2021. For the period of January 1, 2020 to April 30, 2020, the excess loss

amount will be \$475.55 PEPM, which are already net of any pharmacy rebates collected from the PBM. Aggregate Stop Loss limit premiums are not covered by the \$34.00 bundling credit described previously and will be invoiced monthly as a separate line item. Furthermore, the calculation for the Aggregate Stop Loss shall not include the impact of any law or regulation enacted after the execution of this Contract. The Administrator will include in all its invoices to PREPA, a certification in the following terms. Any invoice that does not contain the Certification will not be processed for payment.-----

We certify under penalty of nullity that to our knowledge no public servant of PREPA is part or has any interest in the benefits or profits derived from the contractual relationship, which is the basis of this invoice. If any such participation or interest exists, the required waiver has been obtained prior to entering into this Contract. The only consideration to be received in exchange for the delivery of the Services provided is the agreed-upon price that has been negotiated with an authorized representative of the PREPA. The total amount shown on this invoice is true and correct. The Services included in the invoice have been invoiced to and paid by the Administrator to the provider or Subscriber, and no payment from PREPA has been received.



Administrator's Signature

PREPA will not process the payment of the invoice until the Administrator complies with all the requirements applicable in this Contract. The Administrator will send a monthly invoice accompanied by the documentary evidence required to support the invoice or any of their lines.-----

PREPA will pay the net amount of each monthly invoice thirty (30) days after it has been received by the Division of Occupational Health of PREPA. The date in which

PREPA will initiate the payment process will be the date in which the Administrator sends the invoice in full (with all the documentation required in this Contract).-----

All disbursements made by PREPA under the provisions of this Contract will be paid from account 01-2283-22836-000-000.-----

In compliance with Executive Order 1991-OE-24; and CFR Part 404 et. seq. the Administrator will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income gained by Administrator from this Contract.-----

PREPA shall deduct and withhold any amount or percentage required by the Internal Revenue Code of Puerto Rico. In such case, PREPA will remit such withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as Departamento de Hacienda de Puerto Rico). The Administrator will request PREPA not to make such withholding if the Administrator timely provides a release from such obligation by the Government of Puerto Rico's Treasury Department. 3 L.P.R.A. sec. 8611 et. seq; 2011 L.P.R.A. 232; 232-2011.-----



PREPA acknowledges and agrees that if PREPA requests Administrator to provide legal representation on a subrogation claim or process, any related legal expenses and fees shall be covered by PREPA.-----

THIRD: The Parties agree to amend *Article 20 – Pharmacy Coverage Rebate Return*, to read as follows:

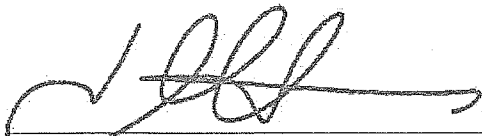
For the period of January 1, 2020 to April 30, 2020, the Administrator will make a guaranteed pharmacy rebate payment of \$30.00 PEPM to PREPA forty-five (45) days after the end of the first quarter of calendar year 2020. Amounts in excess of \$30.00 PEPM will be retained by the Administrator. The Administrator will also provide an electronic file to PREPA with the details of 100% of the pharmacy rebates that the Administrator collected related to claims incurred by PREPA Employees during the Contract Year. This electronic file is to be delivered within 180 days after the end of the Contract Year.-----

FOURTH: All other terms and conditions, specifications, stipulations, insurances, and requirements established in the Contract, as amended, shall remain unaltered and fully enforceable.-----

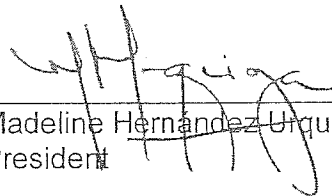
In **WITNESS WHEREOF**, the Parties hereto have agreed to execute this Fourth Amendment of the Contract in San Juan, Puerto Rico, on March 31, 2020.-----

Puerto Rico Electric Power Authority

Triple-S Salud, Inc.



José F. Ortiz Vázquez
Chief Executive Officer



Madeline Hernández Urquiza
President