

PUERTO RICO ELECTRIC POWER AUTHORITY

CONTRACT
2020-P00065

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, represented in this act by its Chief Executive Officer/Executive Director, José F. Ortiz Vazquez, of legal age, married, executive, and resident of San Juan, Puerto Rico.

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

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, PREPA desires to provide a Medical Plan, hereinafter referred to as the Plan or Health Plan, to its Active Employees, their eligible dependents, spouses, and dependents of Employees that died as a consequence of a workplace accident;

WHEREAS, in compliance with the Specifications of the RFP 97716, Triple-S submitted its Proposal, which was accepted by PREPA, for the administration of the



health benefits plan that PREPA offers to its Active Employees, and their eligible dependents;

WHEREAS: through this Contract, PREPA and Triple-S set forth the terms under which Triple-S will administer PREPA's Health Plan.

NOW THEREFORE, in consideration of the terms and conditions set forth in this Contract, and for good and valuable consideration, the Parties agree as follow:

TERMS AND CONDITIONS

ARTICLE 1. CONTRACT

The following documents are made part of this Contract:

1. The Specifications of the RFP 97716 applicable to the Active Employees Health Plan.
2. The offer submitted by the Administrator on November 25, 2019.
3. Any other document issued by PREPA as part of the process of RFP 97716, which contains terms, conditions and contractual obligations applicable to the contracting parties under this Contract, as well as any document mentioned therein or accompany as an appendix.
4. Any document, after this Contract is awarded, that PREPA issues in the exercise of its contractual rights in it, so long as it does not affect the economic arrangements and Administrator's rights and obligations under this Contract.

The Contract will be governed by said documents, and in case of conflict between the provisions of these, the provisions of the Specifications of the RFP 97716 will prevail, unless the Parties agree to any change or amendment in writing.

Additionally, the Parties agree that in case of conflict between the provisions of any commercial documents produced by the Administrator, the Contract will prevail.

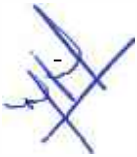
ARTICLE 2. DEFINITIONS

The following terms, wherever they appear or are referred to in this Contract, have the meanings set forth below:

1. Access - Availability of all health services included in each coverage, so that the health care needs of subscribers will be covered.
2. Active Employee or Employee – a person who is hired for a wage, salary, fee or payment to perform work for PREPA and is eligible for Employee benefits.
3. Administrative Expense – Payment made by PREPA for the services rendered by the Administrator.
4. Administrator – Triple-S Salud, Inc., as the organization contracted to administer the health benefits Plan that PREPA offers to its Active Employees and their eligible dependents.
5. AWP (Average Wholesale Price) – The average price used by wholesalers to sell medications.
6. Calendar Year – All days including the first day of January and the last day of December.
7. CDT (Current Dental Terminology) – A coding system developed by the American Dental Association that establishes dental services procedures and their categories.



8. Claim – Invoice submitted to the Administrator that includes the charges for services rendered to Suscribers by the Participating Providers.
9. Claim File – A system through which the Administrator keeps data on claims for covered services, payment made, and cost and frequency experience.
10. Co-insurance – A percentage amount to be paid by Suscribers upon receiving services.
11. Comprehensive Benefits Coverage – Medical, Dental, Pharmacy and Behavioral Health benefits in the Active Employees coverage. Coverages under the self-insurance model are differentiated by the amount and benefits included, as well as by limitations and exclusions. Benefits that include hospitalization, medical and surgical care, and outpatient services, among others as described in the Benefit Descriptions set forth as APPENDIX A1-A.
12. Contract – This legal agreement between PREPA and the Administrator.
13. Contract Year - Twelve (12) consecutive months to be counted from the Effective Date of this Contract.
14. Contracted Rate – Amount agreed on by the claims Administrator with Participating Providers for the payment of services.
15. Co-pay – a fixed amount to be paid by Suscribers at the time of receiving the service.
16. CPT (Current Procedural Terminology) – Coding system developed by the American Medical Association, which establishes medical services procedures and categories.




17. Deductible – Fixed amount to be paid by Subscriber before or after receiving services under the Health Plan.
18. Effective Date – 12:00am January 1, 2020 – The defined period for the Active Employees benefits for calendar year 2020.
19. Eligibility File – A system for keeping all the information on personal data, employment, and eligibility of Subscribers.
20. Executive Director/Chief Executive Officer – Director of the Puerto Rico Electric Power Authority.
21. Health Plan Enrollment Form – A document administered and used by PREPA to be completed by their Employees to be considered for an enrolled in the Health Plan.
22. HIPAA – The Health Insurance Portability and Accountability Act of 1996, Federal legislation that provides data privacy and security provisions for safeguarding medical information.
23. ICD (International Statistical Classification of Diseases and Related Health Problems) – A list of codes published by the World Health Organization, establishing diagnoses, that classify diseases and medical problems and conditions.
24. Insured – An individual Subscriber under an insurance contract that meets the eligibility requirements established under an insurance policy.
25. Participating Provider: Any hospital, physician, dentist, clinical laboratory, X-ray center, pharmacy, mental health and any other health services provider that the Administrator may contract to provide services for the Subscribers of a Health Plan.



26. Performance Bond – Security required of the Administrator to ensure that the terms and conditions of this Contract will be fulfilled; Form AUTORIDAD 500.0-59. This may be provided by a bond issued by an insurance company that is authorized to do business in Puerto Rico and that is acceptable to PREPA.
27. PREPA Vendor Registry – A file of natural persons or legal entities that are accredited by PREPA to supply goods (real or personal property) or services.
28. Primary Subscriber – An active Employee that has been found to be eligible by PREPA.
29. Reimbursement - Return of the cost of covered services according to the established rate, after applying the corresponding deductible and co-payment, according to the specifications of each coverage.
30. Self-insured or “Cost-Plus” – A financing mechanism whereby the cost of the claims incurred and paid is reimbursed by PREPA, in addition to an agreed-on amount to cover administrative expenses and Stop Loss Insurance (if applicable).
31. Specifications – The clear, complete, and precise description of the services that are required, expressing the minimum requirements of the PREPA, and subject to a single interpretation, as included in the RFP 97716.
32. Stop Loss Insurance – Stop-loss insurance (also known as excess insurance) is a product that provides protection against catastrophic or unpredictable losses. It is purchased by employers who have decided to self-fund their Employee benefit plans, but do not want to assume 100% of the liability for losses arising from the plans.



Under a stop-loss policy, the insurance company becomes liable for losses that exceed certain limits called deductibles. There are two types of self-funded insurance: (a) Individual Stop-Loss: This form of stop-loss coverage protects a self-insured employer against large claims incurred by a single individual. Under a specific stop-loss policy, the employer will be reimbursed when claims for an individual exceed a specific cap amount, and the (b) Aggregate Stop-Loss: This form of stop-loss provides a ceiling to the amount that an employer would pay in expenses on the entire plan, on an aggregate basis, during a contract period. Under this policy, the insurance carrier reimburses the employer after the end of the contract period for aggregate claims.



33. Subscriber – The Primary Subscriber, and his dependents determined by PREPA to be eligible to receive benefits under the Plan. As used herein, this refers to the Active Employees, his spouse and dependents who meet PREPA's eligibility requirements.

34. Teleconsulta MD®: Telemedicine service through virtual medical consultation, up to a maximum of four (4) visits per insured person, per policy year. The Teleconsulta MD® service allows Subscribers to receive medical attention from 6:00 a.m. at 10:00 p.m., anywhere within the geographic region of Puerto Rico, 365 days a year. Subscribers will have access to health consultations with a licensed general practitioner, family doctor, internist or pediatrician, whether for a minor ailment or urgency. The provider can send prescriptions to the participating pharmacy.

Subscribers shall visit www.ssspr.com to download the application and communicate through their mobile devices or connect through the computer. This benefit is subject to \$10 copayment per consultation. After accessing the 4 queries, Subscribers can continue using the service at a cost of \$40 per consultation.

35. Triple-S en Casa: Service that allows Subscribers to process their prescriptions by sending a photo of the prescription or asking the doctor to send an electronic prescription directly to the Administrator's partner pharmacy, Alivia Home Delivery. The service includes free delivery, so that Subscribers can track their orders and receive their medications at their preferred address. Subscribers will be able to monitor their active medications, remaining refills, and next fill dates. The application shall be downloaded through the App Store or Google Play.



ARTICLE 3. ELIGIBILITY

The Active Employees and their family group will be eligible to the Plan. In the family group of Employees, children under 26 years of age or up to the age established by local and federal laws may be included, as long as they apply to PREPA and the age limit established by law is mandatory for the latter legislation.

If any of the children from 19 to 25 years of age is studying outside Puerto Rico, the Employee will have to present evidence of studies for each study period (e.g. semester / quarter), to facilitate receiving the services of the Plan, without setbacks, while studying outside from Puerto Rico. Only PREPA may declare the Employees or their dependents

as eligible to the Plan, and no one shall be admitted to the Plan without the written authorization of PREPA.


A. ELIGIBILITY DATE

The effective date of enrollment into the Plan will be as follows:

1. All temporary Employees will be eligible after completing six (6) months of continuous service in PREPA.
2. All regular Employees will be eligible from the first day of their appointment.
3. There will be no waiting period in the Active Employees Plans of PREPA.

Only PREPA can modify or change the eligibility of any subscriber of the Plan.

B. ELIGIBILITY REQUIREMENTS



Eligibility requirements for Active Employees are established by PREPA and appear in the Administrative Manual of PREPA. The current requirements are included in the Annex of the Specifications of the RFP 97716. These may be modified by PREPA in accordance with the terms set forth herein.

C. APPLICATION FOR ENROLLMENT AND CHANGE

PREPA will design the Application Form for Enrollment and Change of the Plan that will be used to enter new Subscribers and to process changes in the eligibility of Employees and their family group. Said form will be prepared in original and two copies.

D. TEMPORARY EMPLOYEES

Temporary Employees will be entitled to subscribe to Plan B Temp, after completing six (6) months of continuous service in PREPA, as detailed in the Specifications.

E. DEATH

In case of death of an eligible Employee; the benefits of the Plan will cease thirty (30) days after his death. The family group will be eligible to formalize a direct payment contract as long as they request it to the Administrator within the term of thirty (30) days following the death of the Employee. In cases of death of an Employee during the performance of his/her duties at work, the family group may enjoy the Plan, as established by the administrative procedures of PREPA. Children will continue to receive Plan A benefits, in accordance with the eligibility rules for Employees' children. The surviving spouse of the Employee who dies in action will continue to be eligible for Plan A while unmarried. The widow of an Employee who dies in action is not eligible for maternity coverage, except in cases where she is pregnant at the time of the Employee's death.



F. REMUNERATION OF COSTS AND CLAIMS OF NON-ELIGIBLE DEPENDENTS INCLUDED IN THE PLAN

Any charges or expenses of claims received by the Administrator for services offered to said Employees or dependents, after their eligibility has ceased, shall be charged to the Employee by PREPA.

ARTICLE 4. TERM OF THE CONTRACT

This Contract shall be in effect from the date of its execution until December 31st, 2020 (the "Contract Period"). This Contract may be extended, at the exclusive option of PREPA, for one (1) year subject to the availability of funds and in compliance with all legal and regulatory requirements. PREPA will notify Administrator of its intention to extend this Contract at least sixty (60) prior to the expiration of the then current term, and the

Parties will appoint immediately the resources that will be working with the extension with the purpose of completing and formalizing the agreements before the expiration of the Contract.

ARTICLE 5. TERMINATION BY THE ADMINISTRATOR

In addition to other termination rights throughout this Contract and those in law and equity, the Administrator may terminate this Contract for just cause upon prior notification to PREPA in writing and by certified mail with no less than one hundred and twenty (120) days prior to the effective date of termination. Notwithstanding, the Administrator shall have the right to terminate this Contract upon sixty (60) days' prior written notice to PREPA in the event PREPA fails to remit payments due hereunder. The Administrator shall have the right to exercise this right upon PREPA's default to pay an invoice within sixty (60) days of its receipt. PREPA's non-payment of an invoice shall not be considered a default of payment if PREPA's reason for non-payment is based on the Administrator's non-compliance with its obligation to present the required certification included in Article 27 (PAYMENT FOR SERVICES COST PLUS TYPE CONTRACT) and keep up to date the documentation required by Article 37 and Article 43 of this Contract.

Furthermore, PREPA acknowledges and agrees that the economic terms of this Contract where agreed based on the complete PREPA membership, including the Employees under this Contract in a Self-Insured model, and the Retired Employees of PREPA which will be covered under Fully Insured models under the Triple-S's Optimo Plus policy and the Triple-S Advantage, Inc.'s Royal and Royal Plus Medicare Advantage plans.

Accordingly, the cancellation of the any of those plans or policies will constitute just cause for the termination of this Contract by Administrator. Moreover, the decrease of the enrollment with Triple-S to less than 85% of the complete PREPA membership (including all the Active Employees, and Retired Employees), shall constitute just cause for the termination of this Contract by Administrator.

ARTICLE 6. TERMINATION BY PREPA

In addition to other termination rights throughout this Contract and those in law and equity, PREPA shall have the right to terminate this Agreement for just cause upon prior notification to Administrator in writing, sent by certified mail, at least forty-five (45) days prior to the effective date of termination. PREPA shall have the right to terminate this Contract immediately in the event of a material non-compliance or material breach by the Administrator, as determined in the reasonable discretion of PREPA. In the event the Contract is terminated by PREPA for cause, PREPA shall be obligated to pay all fees and expenses incurred up to the day of effective termination, in accordance with the terms of this Contract. Administrator shall have no further right to compensation except for what has been accrued for services rendered under this Contract until said date of effective termination.

Additionally, PREPA shall have the right to terminate this Contract for just cause, upon forty-five (45) days prior written notice to Administrator (sent by certified mail), in any event impairs PREPA's ability to comply with the certified budget and fiscal plan approved by the Financial Oversight and Management Board for Puerto Rico.

The Parties acknowledge that PREPA is undergoing a transformation process, and therefore, both Parties agree that in the eventuality of the execution of a Partnership Contract, Sale Contract or any other PREPA Transaction (as these terms are defined in Act 120-2018), PREPA may sell, assign, convey, transfer, pledge, mortgage, sublease, delegate, hypothecate, or otherwise dispose (each, a "Transfer") any of its rights, title, or interest in this Contract as permitted by applicable law and at any time, and without Administrator's consent or cost or expense, nor expense or incremental liability to PREPA, to any future operator of Puerto Rico's electric power transmission and distribution system or any of its affiliates, or to any governmental agency, body, public corporation or municipality of Puerto Rico; provided, that PREPA shall notify Contractor no later than forty-five (45) days before the effective date of any such Transfer.



ARTICLE 7. TELEPHONE NURSING CONSULTATION

The Administrator shall provide telephone consultation (triage) services for all Subscribers.

Services will include the following:


- Management of symptoms and medical conditions
- Information on services that are available in the community
- Guidance on health issues
- Follow-up calls, if necessary
- Access to health information, education, consultations, and assistance for home self-care, the Emergency Room or the medical office

A quarterly report of the activities carried out in relation to the utilization and the disposition of the cases worked using the triage service will be required. The Administrator shall include the description of their case management programs.

ARTICLE 8. ADDITIONAL SERVICES

The Administrator will provide Teleconsulta MD® and Triple-S en Casa, as such services are defined Article 2 above. The Teleconsulta MD® and Triple-S en Casa services will become available to Subscribers upon completion of all operational processes and upon receiving PREPA's approval for communication purposes. Teleconsulta MD® is fully operational effective January 1, 2020 and Triple-S en Casa will be available on or before April 1st, 2020.

ARTICLE 9. IDENTIFICATION CARD

- 
- The Administrator shall send the ID cards to each Primary Subscriber via U.S. Mail to the address provided by PREPA. Addresses provided by PREPA shall be as standardized by the US Postal Office.
 - The format of the ID cards shall be submitted and approved by PREPA prior to their distribution.
 - The ID Cards shall be mailed at least ten (10) calendar days in advance of the effective date of the new card, during the implementation process, subject to PREPA providing the approval to Administrator in time for Administrator to comply with this timeframe.
 - If the need to issue a new card to an existing Subscriber arises, the Administrator shall immediately issue a Certification of Coverage so long as the duly completed request

is received within the business hours of the dedicated service unit; otherwise the Subscriber may access his Certification of Coverage through the Triple-S mobile app, and Triple-S shall provide the new card within two (2) business days of receipt of the duly completed request.

ARTICLE 10. EXPLANATION OF BENEFITS (EOB)

- The Administrator shall produce an Explanation of Benefits (EOB) report at least every three months, containing detailed information of all claims paid, based on each Subscriber's use.
- The Administrator shall have thirty (30) consecutive days after the month-end closing of the third month to send the EOB report to all Subscribers and will simultaneously issue a certification to the *Medical Insurance Plan Section* with this Contract numbers of all the Subscribers who were sent the Explanation of Benefits.
- The Administrator shall send the EOB to the Subscriber's home address and in full compliance of the provisions of the HIPAA Act regarding the disclosure of personal information. PREPA shall previously approve the format of the EOB document. This document must include a note instructing the Subscriber to review the information and to report any discrepancies that the Subscriber may find in the document. It shall also include the Administrator's address and telephone number where the Subscriber may submit their discrepancies, as well as a warning stating that failure to report discrepancies or objections to the report constitutes the acceptance of its content.



- The Administrator shall investigate any discrepancies reported by the Subscriber or referred by PREPA and shall report the findings of the investigation to PREPA. Furthermore, the Administrator shall keep a record and file of said discrepancies for auditing purposes.

ARTICLE 11. NEW PROCEDURES OR SERVICES

- Any new healthcare Procedure or services that could be discovered, invented, introduced or incorporated into the market may not be included as a benefit in any of the coverages of the Plan without the previous written consent of PREPA.
- When the Administrator incorporates new procedures, services or new regulations into its commercial coverage, it shall notify PREPA of its intention to implement them 30 days in advance, so that PREPA may pass judgment and decide whether there is interest in adding such new procedure, service or new regulations to its coverage. This time may be shorter if the new regulation arises in response to a Law and its implementation requires a shorter time, in which case the Administrator shall notify said situation to PREPA as soon as possible and warn about the urgency in making the decision to comply with the provision of Law.

ARTICLE 12. PCORI CHARGES

During the term of this Contract, and any extension thereto that may be approved by the parties, PREPA shall not pay the "PCORI Fee".

ARTICLE 13. REIMBURSEMENT FOR MEMBER SERVICES

- The Administrator shall provide reimbursement for services rendered by non-participating providers based on the contracted rate of participating providers, after applying the corresponding copayment and deductible, unless otherwise specified.
- PREPA shall not acknowledge or honor any request for reimbursement submitted later than six (6) months after the date when rendered services were incurred in and outside Puerto Rico. This shall not apply to reimbursement agreements through assignment of benefits to the Provider, in which case the terms set forth in Article 19 for Provider claims payment and payment adjustment shall apply.
- If the Administrator does not have any Providers available in its Providers Network for a specific medical specialty, the Subscriber shall be reimbursed the total amount that it would have paid to a Participating Provider for said services, after applying the corresponding deductible, coinsurance, or copayment. Providing, also, that PREPA shall pay the Administrator the contracted rate of a Provider of the same specialty.
- Reimbursements for non-participating provider services shall be paid directly to Subscribers by the Administrator, as well as all reimbursements under the Major Medical coverage, where PREPA pays for services by reimbursing Subscribers.
- PREPA requires that the reimbursement be made within ten (10) business days after the Administrator receives the required documents and information.
- The Administrator shall provide all the necessary forms to request reimbursements.

ARTICLE 14. RESPONSIBLE OFFICIAL /TRANSACTIONS WITH THE ADMINISTRATOR

PREPA will appoint an official who will be responsible for managing transactions and business with the Administrator. PREPA reserves the right to contract third parties or business partners for the management of all or part of such transactions.

ARTICLE 15. COORDINATION OF BENEFITS

- The Administrator shall coordinate the provision of services under the Plan when other individuals or entities have a legal responsibility to pay for or to provide said services, in accordance with the latest rules issued by the National Association of Insurance Commissioners for the coordination of benefits, as well as the provisions of the HIPAA Act regarding electronic transactions.
- PREPA acknowledges that it is responsible in providing Administrator with any information pertaining to the existence of any additional health plan coverage.
- PREPA will not pay any claims if the responsibility for payment lies with third parties or entities, as such was informed to Administrator by PREPA.
- The monthly billing shall include a detailed report of all claims approved by coordination of benefits, showing the savings stemming from said transactions. The electronic claims file to be sent to PREPA on a monthly basis must contain the fields that will allow the identification of claims processed by Coordination of Benefits (COB).
- It is the Administrator's responsibility to expedite any situation that the Subscriber may have regarding the provision of services or payments that may have been coordinated between different entities.
- The COB must be authorized by the *Medical Insurance Plan Section*.

- There shall be no COB between the PREPA's Employee Plan and the Retiree Plan, since it would constitute a duplication of coverage and a violation of the Eligibility Rules.

ARTICLE 16. SUMMARY OF BENEFITS AND COVERAGE (SBC), CERTIFICATE OF BENEFITS AND SUMMARY PLAN DESCRIPTION (SPD)

- Within thirty (30) days after the effective date of this Contract, the Administrator will send a Summary of Benefits and Coverage (SBC) to the address of each Primary Subscriber. The SBC shall be drafted according to the Law.
- Within sixty (60) days after the effective date of the Contract, the Administrator will send a Certificate of Benefits to the address of each Primary Subscriber.
- The Certificate of Benefits shall be issued in Spanish and shall contain information about eligibility, copays and deductibles, limits on coverage, a summary description of health plan benefits, as well as the applicable laws and the participant's rights and responsibilities.
- The Administrator shall be responsible for preparing and distributing endorsements to notify the Primary Subscribers of any change in the Plan after the SBC and the Certificate of Benefits are issued.
- All these documents will be previously reviewed and approved by PREPA before sending them to the Primary Subscribers. Accordingly, the timelines for the Administrator to send these documents to the Primary Subscriber will be subject to receiving PREPA's approval within a reasonable time allowing Administrator to comply.

ARTICLE 17. MAINTENANCE OF PROVIDERS

For the duration of this Contract, the Administrator will maintain at least 98% of the providers that comprise the Administrator's network at the time of the award, as required in explanation of the *Directory of Participating Providers*. Any deviation from this provision will be cause for termination of this Contract. The 98% requirement excludes the following cases for the Administrator:

- 1) The Administration cancels its contract with a provider due to fraud or non-compliance with quality standards;
- 2) The Provider requests canceling its contract with the Administrator;
- 3) The death of the Provider;
- 4) The Provider loses its license to provide the services;
- 5) The Provider is canceled as representing a potential risk for Subscribers;
- 6) The Provider is canceled for any other reason required by applicable law and regulations;
- 7) The Provider is canceled because the Provider moved away from Puerto Rico;
- 8) The Provider declines to renew its contract with the Administrator.

ARTICLE 18. DIRECTORY OF PARTICIPATING PROVIDERS

The Administrator will make available to PREPA Employees, and when necessary, an updated Directory of Participating Providers in electronic format and on paper or CD for any Employee that may request such. The Directory will include a detailed description of

the procedure for notifying Subscribers of the termination of a Provider's contract to ensure continuity of medical care.

ARTICLE 19. MAXIMUM TIME FOR PAYMENT OF PROVIDER CLAIMS

- PREPA shall not acknowledge or honor any paid claims after eighteen (18) months from the date when services were incurred, except for services incurred outside Puerto Rico, coordinated with Medicare, or COB in which cases the payment period shall extend to twenty-four (24) months.
- The Administrator shall release PREPA, the Subscriber, and the Subscriber's dependents from liability for payment for any rejected or adjusted claims that have been identified during their audit for that purpose.
- In cases where the services offered by the Provider last for more than one day, the last day when services were provided shall be considered as the service date.

ARTICLE 20. PHARMACY RELATED PROVISIONS

PREPA includes the following controls in this Contract for the sound utilization of the pharmacy benefit:

- Drugs with limitation by gender
- Drugs with limitation by age
- Drugs that require pre-authorization (PA)
- Drugs with limits in quantity (QL)
- Drugs with maximum dosage limits by age
- Duplicate therapy



- Drugs that do not require a prescription or over the counter (OTC) drugs, as provided by federal law for the following category: H1 Blocking Agents idly [sic] / Non-sedating, Ocular Allergies, Proton Pump Inhibitors Intranasal Corticosteroids and the bio-equivalents for these.
- The 90-day supply dispensing program in local pharmacies and mail order.

The Administrator shall have the ability to handle the dispatch of acute medications whose benefit is for 30 days in two fills of fifteen (15) initial days and fifteen (15) additional days within a period of thirty (30) days with the application of the corresponding deductible only for the second fill. This applies to medications for acute conditions for which their fill can be segmented, such as tablets, capsules, etc.

PREPA may audit from time to time the Contracts that the Administrator's Pharmacy Benefits Administrator ("PBM") has with Network of Pharmacies. The Administrator will make available a copy of the Contracts when required by PREPA at least 30 days in advance, upon signature of a Non-Disclosure and Confidentiality Agreement.

This requirement establishes that PREPA will pay the PBM in a claim basis the same amount that the PBM pays to participating pharmacies for each claim.

The Administrator shall have a mechanism to identify profiles of fraud and/or abuse in the pharmacy category. This program must be able to integrate several components that allow to identify the following:

- Patterns of high use of medicines
- Match between diagnosis (Dx) and medication (Rx)

- Use of multiple medications for the same condition (polypharmacy)
- Any other program for the purpose of auditing the use of medications

As part of such audits, the Administrator shall establish a program of educational communications to alert Subscribers, pharmacies, and providers about the situations identified by the audits. The communications shall be approved by PREPA before being implemented and distributed.

The Administrator shall submit, either quarterly or at the agreed frequency with PREPA, a report of the results of the audit and the plan of action and communications made in accordance with the results.

ARTICLE 21. PHARMACY COVERAGE REBATE RETURN

The Administrator, forty-five (45) days after the end of each quarter, will pass-through to PREPA 100% of the rebates collected from the PBM related to claims incurred by PREPA Employees during the Contract Year, net of the proportional share of any incentive paid to the PBM for exceeding the rebates guarantees. The Administrator guarantees a minimum pharmacy rebate payment of \$32.00 PEPM to PREPA, which will be reconciled with PREPA at the end of Contract Year 2020 based on the rebates disbursed during that period of time and the aforementioned guarantee.

The Administrator will provide an electronic file with the details of the credits and reimbursements of 100% of the pharmacy rebates that shall be paid to PREPA net of any proportional share of incentive paid to PBM for exceeding the rebates guarantees, at the end of each quarter of the Contract Year. This quarterly report will include Administrator's collections from the PBM, which could be related to the previous quarter utilization. A reconciliation will be included to break down between rebates and any incentive applied. The report will be provided 60 days after each quarter closing.

ARTICLE 22. NEW MEDICATION

- Any new drug that might be discovered, invented, introduced, or incorporated into the market shall not be included in the coverage nor in the Drug Formulary in any of the coverages of the Health Benefits without the prior written consent of PREPA.
- When the Administrator incorporates new drugs or new regulations to its commercial coverages, it shall notify PREPA of its intention to implement them with 30 days in advance, so that PREPA may pass judgment and decide whether it wants such a new drug or new regulations included in its coverage. This time may be shorter if the new regulation arises because of a law and its implementation by law provides a shorter time, in which case the Administrator shall notify as soon as possible of the situation and shall notify PREPA of the urgency in making a decision on this matter.
- Failure to follow this mechanism to identify profiles of fraud and/or abuse in the pharmacy category shall be cause or factor for disqualification in the adjudication of the administration of the pharmacy coverage.



ARTICLE 23. COMPREHENSIVE AUDITS OF SERVICES

PREPA shall audit and reconcile the Administrator's monthly bill for claims paid to service providers under this Contract.

The Administrator shall allow PREPA access to the eligibility and claim files to conduct all audits. Audits shall be conducted every six (6) months, except for items that require more time (for example, the Reinsurance or Stop Loss audit, the payment term for claims outside Puerto Rico, adjustments, among others). PREPA may ask the Administrator for information related to the Plan at any time, and the Administrator agrees to provide said

information in electronic format or in any other format that may be required by PREPA, no later than ten (10) business days from the date of said request. PREPA shall reject any claims that do not meet the terms and conditions of this Contract for any of the following reasons:


- a. As a result of the Administrator's fault or negligence
- b. Because the subscriber lost his/her eligibility and PREPA had provided the required notification to Administrator in a timely manner
- c. Because the benefit is not covered
- d. Any deviation from the legal and administrative requirements set forth in the Specifications and in this Contract.

PREPA shall provide the Administrator the audit report in electronic format, within thirty (30) days after the end of each audit. During the ninety (90) day period following the receipt of the report, the Administrator may dispute the results of the audit and/or may request, in writing or in a meeting, any clarification of the findings submitted by PREPA.

Upon receipt of Administrator's dispute or request for clarification, PREPA shall call convene and hold an informal hearing between PREPA's Occupational Health Division Chief and the executive staff designated by the Administrator, to discuss and clarify with the Administrator the findings of the audit. Within ten (10) days after said informal hearing, PREPA shall issue the final decision and shall notify the Administrator of said final determination.

PREPA shall audit and reconcile the Administrator's monthly invoice for claims paid to the service providers under contract as shown in the invoice. PREPA shall withhold one fourth of one percent (0.25%) of the monthly billing charge as guarantee to cover any claims that may be rejected as a result of this process. The guarantee corresponding to the audit year shall be adjusted after a review for said year is conducted and the final payment is made. If, based on the audit results, a credit exists in favor of PREPA, the amount of said credit may be withheld initially from the one fourth of one percent (0.25%) that was withheld from the monthly invoice, and subsequently from any outstanding debt owed to the Administrator. PREPA may withhold any credit that may exist in their favor because of the Audit (if any) after informing the Administrator the Final Determination of the Audit and all administrative reconsiderations have been duly exercised and exhausted.

ARTICLE 24. CONTRACT WITH THE SUBSCRIBER

 The Administrator agrees to extend the benefits contracted herein to each eligible Subscriber under the Plan, giving him and his eligible family group the right to receive the services, subject to the terms and conditions established in this Contract and those established by PREPA.

A. DATE OF EFFECTIVENESS AND TERMINATION OF COVERAGE

The effective date of the Plan for the Subscriber will begin from the date on which it is declared eligible by PREPA and will expire in:

1. the date of termination or expiration of this Contract,
2. in accordance with the eligibility rules established by PREPA, and

3. When PREPA notifies the Administrator that the Employee or a member of his/her family group lost their eligibility.

If the Subscriber wishes to continue with the services of the Administrator under a direct payment plan, he will coordinate it directly with the Administrator.

B. EFFECTIVENESS OF THE CANCELLATION OF THE SUBSCRIBER CONTRACT

The Subscribers contracts will be canceled upon PREPA's notification to Administrator at the indicated term, when any of the following situations occurs:

1. Retirement, thirty (30) days after retirement.
2. Death, thirty (30) days after death, except when the death is due to an accident at work, in which case the family group will enjoy as provided in Article 3 -Eligibility.
3. Waiver, dismissal or summary suspension, on the effective date of the Personnel Action.
4. Voluntary separation of employment and salary for a defined period (leave without pay) authorized by PREPA, the cancellation will be immediately, according to the effective date in the Personnel Action.
5. Voluntary separation of employment and salary due to illness, three (3) months after separation.
6. Termination of temporary employment, on the effective date of the termination.
7. Divorce of the eligible spouse, the effectiveness of the termination of the spouse will be the same day that the final and final judgment becomes final.



8. Temporary suspension of employment and salary (for disciplinary action), on the effective date of the suspension.
9. Abandonment of employment for five (5) consecutive days or more, the cancellation will be effective immediately on the date established by PREPA.
10. Any other situation where PREPA notifies the Administrator that the Employee lost his eligibility. Once PREPA notifies the Administrator of the cancellation of a contract, the Administrator will notify the Subscriber immediately by letter.
11. On the date that PREPA decides to cancel the Plan and so notifies the Administrator. At all times, for purposes of clarification, the Administrator will only process the cancellation once it receives the notification from PREPA.

C. CHANGES IN SUBSCRIBER CONTRACTS

Except as otherwise provided in this Contract, changes in the Subscriber's contract will not be accepted unless PREPA so notifies the Administrator. Any request for change shall be filed with PREPA and shall be effective on the date on which PREPA notifies the Administrator of the change. In case of terminations, the Administrator is responsible for notifying the Subscriber of the cancellation.

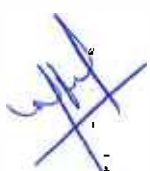
ARTICLE 25. TRANSACTIONS WITH THE ADMINISTRATOR

All transactions between PREPA and the Administrator will be managed and handled exclusively by officers appointed by the Administrator. These personnel will not be authorized to receive legal documents or official notifications related to this Contract. PREPA reserves the right to hire a third party to handle all or part of the transactions with the Administrator.

The Administrator will assign personnel to work on the premises of the offices of PREPA, in a space that PREPA will provide. The representatives will be authorized to receive correspondence, documents from or of PREPA and manage daily activities between PREPA and the Administrator. Such management will be protected by the security and confidentiality provisions of the federal HIPAA law regarding the handling of identifiable patient information. The staff of this unit will manage and coordinate all processes and services so that the Employee can use the medical plan effectively.

The Administrator shall install in these offices of PREPA, terminals of its information system to provide the services required for the Subscribers and PREPA. They will have access to the Eligibility Files, Claims Files and any other file that contains information about the Plan. They will provide reports requested by PREPA in the course of the administration of this Contract, and in electronic means or in the one that PREPA requires. All files will be available to the PREPA for up to three (3) years.

ARTICLE 26. PATENTS AND REGISTERED RIGHTS

The Administrator, at its expense, shall defend PREPA from any claim or claim filed against PREPA based on any equipment or part of it, any composition or writing protected or not by copyright, any secret process, any invention, patented or not, article, device, apparatus, manufactured or used in the execution of this Contract, including its legitimate use by PREPA, which constitutes an infringement of any patent or copyright of the United States, if PREPA promptly and diligently notifies in writing said demand or claim to the Administrator and the latter is granted the authority, and the information and help is provided to take the defense of the case. The Administrator shall pay all damages, costs

and expenses that are awarded against PREPA under this Article. If in such claim or claim the equipment or any part of it, or composition, secret process, invention, article, device and its use is prohibited, the Administrator at its option and cost will obtain, for PREPA, the right to continue using the same or replace it by a computer, composition, secret process, invention, article, device, device or artifact that does not violate the patent or the copyright in question, or modify it in such a way that it becomes a non-infringement the patent or copyright in question or will remove it and return what was paid for it to PREPA. Notwithstanding the foregoing, the Parties specifically provide that the facilities for communication with the Administrator that will be established in the execution of this Contract (on-line facilities), are provided by the Administrator at the facilities of PREPA for the exclusive use of this. The formats and designs of computers and printed reports (screen and printed-out put format and designs), as well as all web site pages and applications developed for Administrator are considered proprietary information of the Administrator, which may not be disclosed to third parties. If PREPA chooses to contract with a third party or entity for the management of all or part of the transactions in this Contract, then PREPA will ensure that said third party fully complies with the same criteria for the protection of proprietary information that apply to PREPA. Accordingly, PREPA will not allow said third party or entity to use the information, screen designs, name reports, etc., for the benefit of any organization other than PREPA. For these purposes, PREPA shall require the third party or entity that signs a Non-Disclosure Agreement to protect the proprietary information of the Administrator. A copy of said Non-Disclosure



Agreements will be furnish to Administrator at the time of its execution for its review and approval.

The relief expressed in the first paragraph of this Article shall protect PREPA with respect to the formats and designs over which the Administrator claims property rights, provided that the terms stipulated in this Article are complied with, with respect to third parties or entities.

ARTICLE 27. PAYMENT FOR SERVICES COST PLUS TYPE CONTRACT


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. Notwithstanding the aforesaid, PREPA shall have the right to terminate this Contract for just cause, upon forty-five (45) days prior written notice to Administrator (sent by certified mail), in the event such new taxes imposed on products or services rendered to Subscribers materially impair PREPA's ability to comply with the certified budget and fiscal plan approved by the Financial Oversight and Management Board for Puerto Rico. 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:

- \$3.30PEPM for broker's commission;
- \$9.99 PEPM o cover the premium for a Specific Stop Loss (SSL) limit insurance with an attachment point of \$125,000 per Employee;
- \$20.71 PEPM for administrative expenses (composed by \$0.80 PEPM for Teleconsulta, \$19.91 PEPM to cover other general administrative expenses).

The Specific Stops Loss (SSL) limit insurance covers all claims incurred during the Contract Year and paid through December 31, 2021. The SSL is not guaranteed and its premium is subject to repricing at the end of each Contract Year.


 The Administrator agrees to grant PREPA a bundling credit of \$34.00 PEPM 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.

There is also an Aggregate Stop Loss limit (ASL) of 110% which covers aggregate loss amounts in excess of \$483.27 PEPM at a rate of \$19.97 PEPM, for all claims incurred during the Contract Year and paid through December 31, 2021.

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. Aggregate Stop Loss rates for subsequent years are not guaranteed, and are subject to repricing at the end of each Contract Year. 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. Notwithstanding, PREPA shall have the right to terminate this Contract for just cause, upon forty-five (45) days prior written notice to Administrator (sent by certified mail), in the event a change in law materially impairs PREPA's ability to comply with the certified budget and fiscal plan approved by the Financial Oversight and Management Board for Puerto Rico.

The Administrator will have to include in all his 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 no public servant of PREPA will derive or obtain any benefit or profit of any kind from the contractual relationship which is the basis of this invoice. If such benefit or profit exists, the required waiver has been obtained prior to entering into the Agreement. The only consideration to be received in exchange for the delivery of goods or for 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 have been rendered, and no payment has been received".



Administrator's Signature

PREPA will not process the payment until the Administrator complies with all the requirements applicable in this Contract. The Administrator will send monthly invoice

accompanied by the documentary evidence required to support the invoices 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 Agreement will be paid from account 01-2283-22836-000-000.

In compliance with Executive Order 1991 OE- 24; and C.F.R. 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, 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 withholdings if the Administrator timely provides a release from such obligation by the Government of Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R. 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.

ARTICLE 28. INDEMNIFICATION

The Administrator shall indemnify and hold harmless PREPA, its affiliates, and the directors, officers, Employees and successors thereof from any claim, whether of loss, damage, liability or expenses incurred, suffered or claimed due to injury, loss or damages to third parties or property of third parties arising directly or indirectly from the actions or omissions of the Administrator.

PREPA shall indemnify and hold harmless the Administrator, its affiliates, directors, officers, Employees and successors thereof from any claim, whether of loss, damage, liability or expenses incurred, suffered or claimed due to injury, loss or damages to third parties or property of third parties arising directly or indirectly from the actions or omissions of PREPA and/or its Employees, directors and representatives.

ARTICLE 29. ASSIGNMENT OF THE CONTRACT AND SUBCONTRACTING

 The Administrator will not assign or subcontract its rights or obligations contracted under this Contract, except in the case in which PREPA so authorizes in writing, which authorization will not be unreasonably withheld. PREPA will notify Administrator of its decision within thirty (30) days from receipt of notice from Administrator of its intention to assign or subcontract rights or obligations herein contracted.

ARTICLE 30. WARRANTY

The Administrator guarantees that it will provide the services under this Contract in accordance with the legal and professional standards that govern the health insurance plans industry. The Administrator, upon receipt of any written notification by PREPA of any professional negligence or omission will remediate free of charge, any defect that occurs in the provision of its services. However, PREPA reserves the right to cancel this Contract for breach of this guarantee, in accordance with the terms herein. The Performance Bond will cover this guarantee.

ARTICLE 31. BANKRUPTCY

If the Administrator declares bankruptcy or insolvency, PREPA may terminate the Contract, after notifying the Administrator by registered mail with acknowledgment of receipt, thirty (30) days in advance.

ARTICLE 32. RESPONSIBILITY

The parties agree that their respective responsibilities for damages in this Contract will be as established by the Civil Code of Puerto Rico and the jurisprudence of the Supreme Court of Puerto Rico.

ARTICLE 33. INDEPENDENT CONTRACTOR

The Administrator will be considered as an independent contractor, for the purposes of this Contract, and all persons engaged or contracted by the Administrator for the fulfillment of its obligations herein shall be considered as Employees, agents or subcontractors and not as Employees or agents of PREPA. The Administrator, as an independent contractor, will not be entitled to sick leave, benefits from the State Insurance

Fund Corporation, vacations, Retirement System, nor will he enjoy other fringe benefits granted by PREPA to his Employees under of the current laws.

ARTICLE 34. DEADLINE FOR PAYMENT OF CLAIMS AND ADJUSTMENTS

- The PREPA shall not acknowledge or honor any paid claims after eighteen (18) months from the date when services were incurred, except for services incurred outside Puerto Rico, coordinated with Medicare, or COB, in which cases the payment period shall extend to twenty-four (24) months, including cases of pharmacy audits conducted by the PBM.
- The PREPA shall not acknowledge or honor any adjustment after eighteen (18) months from the date when services were incurred, except for services incurred outside Puerto Rico, coordinated with Medicare, or COB, in which cases the payment period shall cover twenty-four (24) months.
- When services extend for more than one year, the date of the last day of service shall be used to set the deadline for payment.

ARTICLE 35. RESPONSIBILITY FOR THE ACTION OF THIRD PARTIES

Neither PREPA nor Administrator shall be liable for negligent or malicious acts or omissions on the part of physicians, hospitals, as well as other service providers or their Employees, or for negligent or malicious acts or omissions on the part of the Subscriber or any other beneficiary.

ARTICLE 36. TERMINATION BY THE CHIEF OF STAFF OF THE GOVERNOR OF PUERTO RICO AND INTERAGENCY AGREEMENTS

Pursuant to Memorandum No. 2017-001, Circular Letter 141-17, of the Office of the Chief of Staff of the Governor of Puerto Rico (*Secretaría de la Gobernación*) and the Office of Management and Budget (*Oficina de Gerencia y Presupuesto – OGP*), the Chief of Staff shall have the authority to terminate this Contract at any time. If so directed by the Chief of Staff, PREPA will terminate this Contract by delivering to the Administrator a notice of termination specifying the extent to which the performance of the work under this Contract is terminated, and the effective date of termination. Upon the effective date of termination, the Administrator shall immediately discontinue all services affected and deliver to PREPA all information, studies and other materials property of PREPA. In the event of a termination, PREPA shall be liable only for payment of services rendered up to and including the effective date of termination.

Both parties acknowledge and agree that the contracted services herein may be provided to another entity of the Executive Branch which enters into an interagency agreement with PREPA or by direct disposition of the Office of the Chief of Staff. These services will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Contract. For the purpose of this clause, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico, as well as all instrumentalities and public corporations.


ARTICLE 37. COMPLIANCE WITH THE COMMONWEALTH OF PUERTO RICO CONTRACTING REQUIREMENTS

The Administrator and PREPA will comply will all applicable State Law, Regulations or Executive Orders that regulate the contracting process and requirements of the Commonwealth of Puerto Rico.

A. Filing of Puerto Rico Income Tax Returns

In compliance with Executive Order Number OE-1991-24 of June 18, 1991, the Administrator hereby certifies that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years. As evidence thereof, Administrator has delivered to PREPA an Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Administrator has filed his Income Tax Return for the last five (5) tax years (Form SC 6088). The Administrator accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every Contractor and Subcontractor whose service the Administrator has secured in connection with the services to be rendered under this Contract and shall forward evidence to PREPA as to its compliance with this requirement.

B. Payment of Puerto Rico Income Taxes



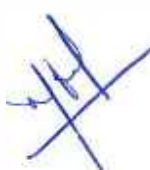
In compliance with Executive Order Number OE-1991-24 of June 18, 1991, the Administrator, hereby certifies that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. As evidence thereof, Administrator has delivered to PREPA a certification issued by the Treasury Department of Puerto Rico indicating that Administrator does not owe taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan in full

compliance with its terms (Form SC 6096). During the term of this Contract, the Administrator agrees to pay and/or to remain current with any payment plan agreed to by the Administrator with the Government of Puerto Rico. The Administrator accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every Contractor and Subcontractor whose service the Administrator has secured in connection with the services to be rendered under this Contract and shall forward evidence to PREPA as to its compliance with this requirement.

C. Compliance with Requirements of the Department of Labor and Human Resources of the Commonwealth of Puerto Rico.

Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending OE-1991-24, the Administrator certifies and warrants that it has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment plan in connection with any such unpaid items and is in full compliance with the terms thereof.

As evidence thereof, Administrator has delivered to PREPA:

- 
1. A certification issued by the Bureau of Employment Security (Negociado de Seguridad de Empleo) of the Puerto Rico Department of Labor and Human Resources certifying that Administrator does not owe taxes regarding Unemployment or Disability Insurance.
 2. A certification issued by the Program for Social Security for Chauffeurs and Other Employees of the Puerto Rico Department of Labor and Human Resources certifying

that Administrator has no debt with respect to such program n Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Administrator has filed his Income Tax Return for the last five (5) tax years (Form SC 6088).

D. Real and Personal Property Taxes

Administrator hereby certifies and guarantees that it does not have any current debt with regard to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (known in Spanish as Centro de Recaudación de Ingresos Municipales ("CRIM")). The Administrator further certifies to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. The Administrator shall provide:

1. A certification issued by the Municipal Revenues Collection Center ("MRCC"), assuring that Administrator does not owe any tax accruing during the last five (5) years to such governmental agency with respect to personal property; or negative Debt certification issued by the MRCC with respect to personal property taxes and a sworn statement executed by Administrator indicating that (i) its revenues are derived from the rendering of professional services, (ii) during the last 5 years (or the time in which it has been providing professional services) it has had no taxable business or personal property on the 1st of January of each year, (iii) that for such reasons it has not been required to file personal property tax returns, as required under Article 6.03 of



Act 83-1991, as amended and (iv) that for such reason it does not have an electronic tax file in the MRCC's electronic system.

2. All Concepts Debt Certification issued by the MRCC assuring that Administrator does not owe any taxes to such governmental agency with respect to real and personal property; or Negative certification issued by the MRCC with respect to real property taxes.

E. Sales and Use Taxes

The Administrator has delivered to PREPA:

1. a Certification issued by the Puerto Rico Treasury Department indicating that Administrator does not owe Puerto Rico Sales and Use taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan and is in full compliance with its terms.
2. a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Administrator has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.
3. a copy of Administrator's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.

F. Puerto Rico Child Support Administration (ASUME)

Administrator hereby certifies that it is not duty bound to pay child support, or if so, that Administrator is up to date or has a payment plan to such effects. As evidence thereof, the Administrator has delivered to PREPA a certification issued by the Puerto Rico Child

Support Administration (known in Spanish as the Administración Para El Sustento de Menores (ASUME) certifying that the Administrator have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with ASUME.

G. Organization Documents

The Administrator shall provide:

1. a Good Standing Certificate issued by the Department of State of Puerto Rico.
2. a Certification of Incorporation, or Certificate of Organization or Certificate of Authorization to do business in Puerto Rico issued by the Department of State of Puerto Rico.

H. Compliance with Act No. 1 of Governmental Ethics

The Administrator will certify compliance with Act No. 1 of January 3, 2012, as amended, known as the Ethics Act of the Government of Puerto Rico, which stipulates that no Employee or executive of PREPA nor any member of his or her immediate family (spouse, dependent children, or other members of his or her household or any individual whose financial affairs are under the control of the Employee) shall have any direct or indirect pecuniary interest in the services to be rendered under this Contract, except as may be expressly authorized by the Governor of Puerto Rico in consultation with the Secretary of Treasury and the Secretary of Justice of the Government.

3 L.P.R.A. § 8611 et seq.

I. Law Num. 127, May 31, 2004: Contract Registration in the Comptroller's Office of Puerto Rico Act

Payment for Services under this Contract will not be made until this Contract is properly registered in the Office of the Comptroller of the Government of Puerto Rico pursuant to Law Number 18 of October 30, 1975, as amended. PREPA agrees to comply and present to the Administrator evidence of compliance with the presentation and filing of this Contract with the Office of the Comptroller of the Government of Puerto Rico in accordance with regulation No. 33 (Registro de Contratos, Escrituras y Documentos Relacionados y Envio de Copias a la Oficina del Contralor del Estado Libre Asociado de Puerto Rico). PREPA's non-compliance with this Section I shall constitute just cause for the immediate cancellation of this Contract.

J. Prohibition with respect to execution by public officers: (3 L.P.R.A. 8615(c))

No public officer or Employee authorized to contract on behalf of the executive agency for which he/she works may execute a contract between the agency for which he/she works and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.

K. Prohibition with respect to contracting with officers or Employees: (3 L.P.R.A. 8615(d))

No executive agency may execute a contract in which any of its officers or Employees or any member of their family units has or has had direct or indirect economic interest during the last four (4) years prior to their holding office, unless the Governor gives authorization



thereto with the previous recommendation of the Secretary of the Treasury and the Secretary of Justice.

L. Prohibition with respect to contracts with officers and Employees of other Government entities: (3 L.P.R.A. 8615(e))

No public officer or Employee may be a party to or have any interest in any profits or benefits produced by a contract with any other executive agency or government dependency unless the Governor gives express authorization thereto with previous recommendation from the Secretary of the Treasury and the Secretary of Justice.

M. Prohibition with respect to evaluation and approval by public officers: (3 L.P.R.A. 8615(f))

No public officer or Employee who has the power to approve or authorize contracts shall evaluate, consider, approve or authorize any contract between an executive agency and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.

N. Prohibition with respect to execution by public officers contracts with former public officers: (3 L.P.R.A. 8615(h))

No executive agency shall execute contracts with or for the benefit of persons who have been public officers or Employees of said executive agency until after two (2) years have elapsed from the time said person has ceased working as such.

O. Dispensation

Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.

P. Rules of Professional Ethics

The Administrator acknowledges and accepts that it is knowledgeable of the rules of ethics of his or her profession and assumes responsibility for his or her own actions.

Q. Anti-Corruption Code for a New Puerto Rico

1. Administrator agrees to comply with the provisions of Act No. 2-2018, as the same may be amended from time to time, which establishes the Anti-Corruption Code for a New Puerto Rico.
2. The Administrator hereby certifies that it does not represent particular interests in cases or matters that imply a conflict of interest, or of public policy, between the executive agency and the particular interests it represents.
3. Administrator shall furnish a sworn statement to the effect that neither Administrator nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for Administrator has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico or any of the crimes included in Act 2-2018.
4. Administrator hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3, or 5.7 of Act 1-2012, as amended,



known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.

5. PREPA shall have the right to terminate this Contract in the event Administrator is convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3, or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.



R. Provisions Required under Act 14-2004:

Administrator agrees that articles extracted, produced, assembled, packaged or distributed in Puerto Rico by enterprises with operations in Puerto Rico, or distributed by

agents established in Puerto Rico shall be used when the service is rendered, provided that they are available.

S. Law 168-2000: Law for the Strengthening of the Family Support and Livelihood of Elderly People

The Administrator will certify that if there is any Judicial or Administrative Order demanding payment or any economic support regarding Act No. 168-2000, as amended, the same is current and in all aspects in compliance. Act No. 168-2000 “Law for the Strengthening of the Family Support and Livelihood of Elderly People” in Spanish: “Ley para el Fortalecimiento del Apoyo Familiar y Sustento de Personas de Edad Avanzada”, 3 L.P.R.A. §8611 et seq.

T. Consequences of Non-Compliance

The Administrator expressly agrees that the conditions outlined throughout this Section are essential requirements of this Contract. Consequently, should any of these representations, warranties or certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for the PREPA to terminate this Contract. If any of the certifications listed in items A through F of this Article 37 shows a debt, and Administrator has requested a review or adjustment of this debt, Administrator hereby certifies that it has made such request at the time of the Contract execution. If the requested review or adjustment is denied and such determination is final, Administrator will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Administrator accepts that the owed amount be offset by PREPA and retained at the



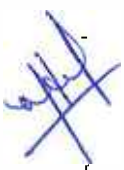
origin, deducted from the corresponding payments. The Administrator accepts and acknowledges its responsibility for requiring and obtaining from each and every Contractor and Subcontractor whose service the Administrator has secured in connection with the services to be rendered under this Contract a similar warranty and certification to those required in sections A, B, C, D, E, F, G, H, J, K, L, M, N, O, P, Q, R, S of this Article, and shall forward evidence to PREPA as to its compliance with this requirement.

ARTICLE 38. SPECIFICATIONS FOR REPORTS AND TRANSFER OF ELIGIBILITY AND CLAIMS FILES

This Article contains the minimum historical data and utilization requirements that the Administrator shall send to the PREPA for the optimal management of the Contract.

General Requirements for Reports:

- 1) All reports containing detailed information shall provide a summary for the Plan and a total for the entire PREPA's group hereunder.
- 2) The administrative expenses include the production cost for all the reports that may be required by the PREPA.
- 3) The reports shall constitute supporting evidence of the invoices and shall be required to be able to process the payment of said invoices.
- 4) PREPA reserves the right to modify the reports at any time during the term of this Contract. Depending on the complexity of the changes to the reports, the time to implement them could range between 4 and 1 weeks if the data required is available. If a new process has to be developed to collect additional data, the implementation time may be longer.



ARTICLE 39. ELIGIBILITY FILE

The Administrator shall provide a monthly electronic file to the PREPA, which shall include the following eligibility information for each Plan:

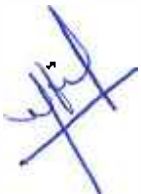
- Group
- Sub-group (section)
- Subscriber's Contract Number (contract number)
- Subscriber's Social Security Number
- Primary Subscriber's (PREPA Employee) Social Security Number
- Relationship between the Subscriber and the Employee
- Sex
- Enrollment date
- Termination Date
- Coverage Codes
- Subscriber's Date of Birth
- Subscriber's Name
- Primary Subscriber's Address

 **ARTICLE 40. PAID CLAIMS FILE**

The Administrator shall submit a monthly Paid Claims File to PREPA. This file shall include some Experience Report models, and shall contain at least the following items for both paid and incurred claims, classified by:

- Group

- Subscriber Name (Contract #)
- Subscriber's Social Security Number
- Employee Number
- Primary Subscriber's (PREPA Employee) Name
- Age
- Relationship between Subscriber and Employee
- Subscriber's Sex
- Service Date (hospital admission date)
- Discharge Date (hospitalization)
- Length of Stay (hospitalization)
- Per diem Type
- Service Location
- NDC Indicator (brand, generic, or bioequivalent)
- NDC Code (with all 11 characters)
- Daily Dose
- Dispensing Fee
- Service Type
- Service Code (CPT, HCPCS, or CDT)
- Service Code Modifier
- Main Diagnosis (ICD-10)
- Provider Name (Paternal surname, maternal surname, or corporate name)



- Provider Type
- Payment Date
- Payment recipient (provider or participant)
- Date when the Administrator received the claim
- Total Services
- Amount Charged
- Amount Paid
- Applied deductible or copayment
- Adjustment Code (original, credit, or debit)
- Claim Number
- Coordination of Benefits Indicator
- Lifetime Maximum Applicable Amount, if applicable
- Indicator of cases outside Puerto Rico
- Reimbursement Code (for reimbursement to subscriber or provider)

This information shall be provided electronically, in ASCII format, in a compact disc or by electronic transmission. The Administrator must submit this Paid Claims file with a clear description of the layout used. PREPA reserves the right to designate a business partner to receive the requested files, in which case specific provisions shall be established regarding the claims data and the eligibility file transfer.

ARTICLE 41. EXPERIENCE REPORT

The Administrator shall submit a quarterly Experience Report to PREPA, which shall include at least the following items for both paid and incurred claims, classified by group:

- **Demographics**

- Participation by Group
- Membership of subscribers who live outside Puerto Rico
- Demographic Profile
- Changes in the demographics of Primary Subscribers
- Changes in total membership
- Demographic comparison between PREPA Employees and the Administrator's portfolio

- **Incurred Claims**

- Claims incurred by quarterly coverage type
- Claims incurred by previous year coverage type
- Medical claims incurred by service type and location
- Medical claims incurred by service type and location PMPM
- First 10 impact claims

- **Key Financial Measures**

- Key financial medical expenses indicators
- Key financial pharmacy indicators
- Key medication indicators



- First 25 dispensed medications by total amount paid
- First 25 dispensed medications by prescription
- First 25 dispensed medications by diagnostic category, by cost
- First 25 dispensed medications by diagnostic category, by service
- **Key Utilization Measures**
 - Medical claims and case management utilization indicators
 - Pharmacy claims utilization indicators
 - Behavioral health claims utilization indicators, including rehabilitation services coverage

ARTICLE 42. COORDINATION WITH PREPA

All activities of the Administrator in relation to the terms and conditions of this Contract are coordinated through the Officer Assigned by the Administrator and the Chief of the Occupational Health Division of PREPA.

ARTICLE 43. INSURANCE AND BOND

The Administrator shall secure and maintain in full force and effect during the life of this Contract as provided herein, policies of insurance covering all operations engaged in by this Contract as follows:

1. Commonwealth of Puerto Rico Workmen's Compensation Insurance:

The Administrator shall provide Workmen's Compensation Insurance as required by the Workmen's Compensation Act 45-1935 of the Commonwealth of Puerto Rico. The Administrator shall also be responsible for compliance with said Workmen's Compensation Act by all its subcontractors, agents, and invitees, if any.

The Administrator shall furnish a certificate from the Puerto Rico State Insurance Fund showing that all personnel employed in the work are covered by the Workmen's Compensation Insurance, in accordance with this Contract.

2. Employer's Liability Insurance:

The Administrator shall provide Employer's Liability Insurance with a minimum bodily injury limits of \$1,000,000 for each Employee and \$1,000,000 for each accident covering against the liability imposed by Law upon the Administrator as result of bodily injury, by accident or disease, including death arising out of and in the course of employment, and outside of and distinct from any claim under the Workmen's Compensation Act of the Commonwealth of Puerto Rico.

3. Commercial General Liability Insurance:

The Administrator shall provide a Commercial General Liability Insurance with limits of \$1,000,000 per occurrence and \$ 1,000,000 aggregate.

4. Commercial Automobile Liability Insurance:

The Administrator shall provide a Commercial Automobile Liability Insurance with limits of \$1,000,000 combined single limit covering all owned, non-owned, and hired automobiles.

5. Professional Liability Insurance:

The Administrator shall provide a Professional Liability Insurance with limits of \$ 1,000,000 per claim and \$ 1,000,000 aggregate.

Requirements under the Policies:



The Commercial General Liability and Commercial Automobile Liability Insurance required under this Contract shall be endorsed to include:

a. **As Additional Insured:**

Puerto Rico Electric Power Authority (PREPA)
Risk Management Office
PO Box 364267
San Juan, Puerto Rico 00936-4267

- b. A 30 day cancellation or nonrenewable notice to be sent to the above address.
- c. An endorsement including this Contract under contractual liability coverage and identifying it by number, date and parties to the Contract.
- d. Waiver of subrogation in favor of Puerto Rico Electric Power Authority (PREPA).
- e. Breach of Warranties or Conditions:

“The Breach of any of the Warranties or Conditions in this policy by the Insured shall not prejudice PREPA’s rights under this policy.”

Performance Bond:

As a Contract security, the Administrator shall furnish at the time of the execution of this Contract:

- a. A Performance Bond in the amount of \$5,457,642.00 with good and sufficient surety satisfactory to PREPA guaranteeing that the Administrator will well and faithfully administer the Health Benefits Plan that PREPA provides for its Active Employees.
- b. This bond shall be issued in the official form of PREPA.

Furnishing of Policies:

All required policies of insurance shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized to do business in Puerto Rico.

The Administrator shall furnish a certificate of insurance in original signed by an authorized representative of the insurer in Puerto Rico, describing the coverage afforded.

ARTICLE 44. RELEASE OF LIABILITY

Each Party (the “Indemnifying Party”) agrees to release from liability and indemnify the other Party for all expenses and costs of any nature (including attorney’s fees) incurred or arising in connection with third-party claims for personal injury, including death, or for damages to property, caused by the negligent or intentional acts or omissions of the Indemnifying Party in the fulfillment or breach of its obligations in this Contract.

ARTICLE 45. OBLIGATIONS OF THE ADMINISTRATOR

- a) Storing, transmitting, communicating, and protecting the health information of Subscribers according to applicable federal and state law.
- b) Abiding by the rules of privacy that are applicable to EDI transactions and HIPAA security requirements.
- c) Not using, in any way, the name of the PREPA for public relations or corporate marketing purposes..

ARTICLE 46. GENERAL AGENCY


PREPA prohibits the Administrator to use the services or to pay any General Insurance Agency for providing services under the Contract. The Administrator shall certify, under penalty of termination of this Contract, that it is not using or paying any General Agency for the services contracted as Administrator of the PREPA’s Health Plans.

ARTICLE 47. APPLICABLE LAW

This Contract shall be subject to and construed in accordance with the laws of the Commonwealth of Puerto Rico. In addition, the contracting parties expressly agree that the courts of the Commonwealth of Puerto Rico will be solely forums with competent and exclusive jurisdiction to resolve disputes that arise between them in relation to this Contract and that require the intervention of the judicial authority to its elucidation.

ARTICLE 48. CHANGE IN APPLICABLE LAW

At the request of either party, both PREPA and Triple-S will evaluate any enacted federal, state or local legislative or regulatory changes with applicability to the Plan administered by Triple-S hereunder, to determine if such legislative or regulatory changes materially impact any negotiated rates and fees. If after a process of actuarial evaluation, using credible data¹, the Parties determine that the enacted legislative and/or regulatory changes materially impact any negotiated rates and fees, PREPA will adjust any impacted rates and fees to reflect the above-referenced changes. Under no circumstances may a legislative or regulatory change serve to modify any negotiated rate or fee on a retroactive basis. "Materially impact" shall mean that a recalculation of current and agreed upon rates and fees, is required in order to remain actuarially sound.

 If the Parties are unable to reach an agreement, Triple-S at its sole discretion, will have the right to terminate the Contract, upon 60-day written notice prior to the effective date of termination.

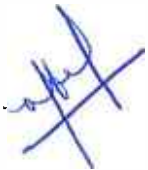
¹ As such term ("credible data") is used for actuarial purposes.

Additionally, PREPA shall have the right to terminate this Contract for just cause, upon forty-five (45) days prior written notice to Administrator (sent by certified mail), in the event a change in law materially impairs PREPA's ability to comply with the certified budget and fiscal plan approved by the Financial Oversight and Management Board for Puerto Rico.

ARTICLE 49. FORCE MAJEURE

The parties hereto shall be excused from performing hereunder and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform, or are prevented from performing by a Force Majeure event. For purposes of this Contract, Force Majeure means any cause without the fault or negligence, and beyond the reasonable control of, the party claiming the occurrence of a Force Majeure event. Force Majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority, provided that these events, or any other claimed as a Force Majeure event, and/or its effects, are beyond the reasonable control and without the fault or negligence of the party claiming the Force Majeure, and that such party, within ten (10) days after the occurrence of the alleged Force Majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of proof as to whether a Force Majeure has occurred shall be on the party claiming the Force Majeure.

ARTICLE 50. NOVATION



PREPA and the Administrator expressly agree that no amendment or change order which could be made to this Contract, during its term, shall be understood as a contractual novation, unless both parties agree to the contrary, specifically and in writing. The previous provision shall be equally applicable in such other cases where PREPA gives the Administrator a time extension for the compliance of any of its obligations under this Contract or where PREPA exonerates the Administrator from any claim or demand of any of its credits or rights under this Contract.

ARTICLE 51. NOTICES

All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally or sent by telecopy, or sent, postage prepaid, by registered, certified or express mail (return receipt requested) or reputable overnight courier service and shall be deemed given when so delivered by hand, or telecopied, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service) to the parties at the following addresses:

If to Administrator:

Madeline Hernández Urquiza
President
Po Box 363628
San Juan, Puerto Rico 00938-3628

If to PREPA:

José F. Ortiz Vázquez
Chief Executive Officer
Puerto Rico Electric Power Authority
PO Box 364267
San Juan, Puerto Rico 00936-4267

ARTICLE 52. SEPARABILITY

If any court with competent jurisdiction declares any of the clauses of this Contract invalid, it will not affect the validity and effectiveness of the remaining clauses of this Contract and the contracting parties undertake to fulfill their obligations under such clauses not affected by the determination of judicial nullity or invalidity.

ARTICLE 53. COUNTERPARTS

This Contract may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

ARTICLE 54. ENTIRE CONTRACT.

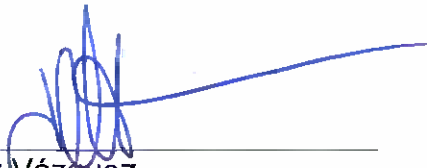
This Contract and its attachments, (and any executed amendments to either), constitutes the entire Contract between the Parties and supersedes all prior agreements and understandings, oral or written, with respect to the subject matter hereof. This Contract will inure to the benefit of, and be binding upon, the Parties and their respecting successors and assigns.



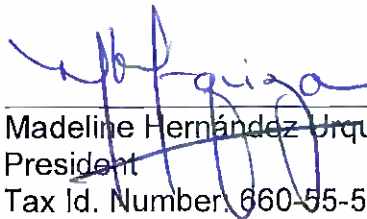
IN WITNESS THEREOF, the parties hereto execute this Contract as of the 27 of
December, 2019.

**PUERTO RICO ELECTRIC POWER
AUTHORITY**

Triple-S Salud, Inc.



José F. Ortiz Vázquez
Chief Executive Officer
Tax Id Number: 660-43-3747



Madeline Hernández Urquiza
President
Tax Id. Number: 660-55-5677