
FINANCIAL OVERSIGHT & MANAGEMENT BOARD FOR PUERTO RICO



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Executive Director

BY ELECTRONIC MAIL

October 6, 2020

Ms, Iris Santos Díaz
Executive Director
Office of Management and Budget
Government of Puerto Rico

Re: FOMB Response to PP2021-0003M Request

Dear Ms. Santos Díaz:

This letter is in response to budgetary reprogramming request submitted by the Office of Management and Budget (“OMB”) on behalf of the Puerto Rico Health Insurance Administration (“ASES” for its Spanish acronym) to the Financial Oversight and Management Board (“FOMB”) for review and approval. This request is resolved herein:

2021-0003M Puerto Rico Health Insurance Administration (ASES-187) - The request is specifically to cover the costs associated to the “Contract[s] for the provision of Physical Health and Behavioral Health Services under the Government Health Plan for the Commonwealth of Puerto Rico” between ASES a several Managed Care Organizations (“MCO”). OMB has identified two sources of funds to cover part of the costs associated to the Proposed MCO Contract Amendment.

OMB has identified \$96,329,000 under OMB Custody, specifically from the FY20 Healthcare Reserve account 111-0170000-4004-008-2020 to cover part of the costs associated to the aforementioned proposed contract.

Pursuant to Section 7 of the General Fund Resolution:

“All appropriations and other uses of Commonwealth moneys, including standing appropriations pursuant to pre-PROMESA Puerto Rico statutes, that are not authorized or certified in FY2021 and this Joint Resolution2021 are eliminated and no disbursement of such appropriations may be

authorized nor shall expenditures exceed the amounts appropriated in the FY2021 certified budget, except for the following which the Oversight Board redeploys as current appropriations, subject to Oversight Board adjustment at any time: ... (8) FY2020 unused General Funds intended for Medicaid related expenditures.”

Such funds, also referred to as the Healthcare Reserve, shall be redeployed as current appropriations under the custody of OMB.

As stated in FOMB’s letter¹ dated October 1st regarding Joint Resolution 24-2020, as amended by Joint Resolution 62-2020, FOMB approved a transfer of up to \$7,550,000 from the Healthcare Reserve Fund for the CDTs. As such, the remaining amount available in the Healthcare Reserve Fund totals \$88,779,000. The FOMB hereby approves the transfer of \$88,779,000 from OMB Custody to ASES to be used for the *“Social well-being for Puerto Rico – To pay for health insurance as provided in Law 72-1993 as amended”*.

Additionally, OMB has identified \$20,038,401 under OMB Custody, specifically from FY20 Unallocated Capex account 111-0170000-1248-008-2020 to cover part of the costs associated to the Proposed Contract Amendment.

After careful review, pursuant to the FOMB’s authority, we hereby approve the transfer of \$108,817,401 to ASES. These funds shall be granted until June 30, 2021.

General Fund (GF)			Transfers 000's			
			From		To	
Request	Decision	Agency	OpEX	Payroll	OpEX	Payroll
0003M	Partial approval	Appropriations under the custody of OMB (Program 4004)	\$ (88,779)			
		Appropriations under the custody of OMB (Program 1248)	\$ (20,038)			
		Puerto Rico Health Insurance Administration (ASES-187)			\$ 108,817	

The agency certifies compliance with the fifty percent (50%) election year expenditures and obligations limitation established in Article 8 of Act No. 147-1980 as amended, known as the “Office of Management and Budget Organic Act, and Section 5 of the General Fund Resolution certified by the FOMB for the Fiscal Year 2021.

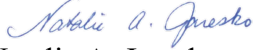
Furthermore, OMB should allocate the above-mentioned amounts to the appropriate accounts and communicate to the agency their current budgetary allocations by cost object.

¹ FOMB – Letter – OMB – JR 24 and JR 62 – October 01 2020

Ms. Santo Díaz
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We trust the foregoing answers the included request and look forward to continuing our work together for the benefit of the people of Puerto Rico.

Sincerely,


Natalie A. Jaresko

CC: Mr. Omar Marrero Díaz
Mr. Francisco Parés

APPENDIX A

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Reapportionments tables

Included is the budgetary transfers to be completed by OMB. The agency should notify the governmental agencies of the approval of petitions, the completion of budgetary transfers and their available budgetary resources as allocated after the transfers.

General Fund Transfers:

2021-0003M Appropriations under the custody of the OMB					
Cost Code	Cost Object	Certified FY20 Budget (\$000's)	FY20 Budget As Is (\$000's)	FY20 Requested Transfer (\$000's)	Revised FY20 Budget (\$ 000's)
8	i. Unallocated Capital Expenditures (1248)	158,609	20,038	(20,038)	-
8	ii. Unallocated Capital Expenditures (4004)	-	96,329	(88,779)	7,550
8	Capital Expenditures	158,609	116,367	(108,817)	7,550

2021-0003M - Puerto Rico Health Insurance Administration (ASES-187)					
Cost Code	Cost Object	Certified FY20 Budget (\$000's)	FY20 Budget As Is (\$000's)	FY20 Requested Transfer (\$000's)	Revised FY20 Budget (\$000's)
13	Incentives and Subsidies - Social Wellness	864,800	357,718	108,817	466,535