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BY ELECTRONIC MAIL

September 22, 2023

Dr. Carlos Mellado López
Secretary
Department of Health

Re: Manpower Group, Inc. (Medicaid)

Dear Dr. Mellado López,

In accordance with the Contract Review Policy (the “Policy”) of the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), established pursuant to Section 204(b)(2) of PROMESA, we have reviewed the proposed contract between the Puerto Rico Department of Health (the “Department”) and Manpower Group, Inc. (the “Proposed Contract”).

After reviewing the Proposed Contract, the Oversight Board concludes “Approved with Observations.” Observations related to the Proposed Contract are set forth in Appendix A attached hereto.

Our review is solely limited to compliance of the Proposed Contract with Section 204(b)(2) of PROMESA, which seeks to ensure proposed contracts promote market competition and are not inconsistent with approved Fiscal Plans. For the avoidance of doubt, the review performed by the Oversight Board does not constitute a legal review of the contractual documentation or the contracting process, including without limitation: (i) compliance with contracting requirements under applicable laws, rules, and regulations, both federal and local; and (ii) compliance with applicable laws, rules, and regulations governing procurement activities, both federal and local.

In addition, the Oversight Board has not engaged in any due diligence or background check with respect to the contracting parties nor whether the contracting parties comply with the requirements under the applicable contract. Any material changes to the Proposed Contract must be submitted to the Oversight Board for review and approval **prior to execution**.

Dr. Mellado López
September 22, 2023
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This letter is delivered as of the date hereof and we reserve the right to provide additional observations and modify this letter based on information the Oversight Board was not directed to when the review was conducted. In addition, during the course of our review, we may receive information that we may refer to the relevant authorities.

This letter is issued only to the Department and solely with respect to the Proposed Contract.

Sincerely,



Jaime A. El Koury
General Counsel

APPENDIX A

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DEPARTMENT OF HEALTH – MANPOWER GROUP, INC.

Fiscal Plan Alignment

This review covers the Proposed Contract between the Department and Manpower Group, Inc. for the provision of specialized temporary personnel. Pursuant to the Proposed Contract, the Contractor shall assist the Medicaid Program of the Department with the Medicaid Management Information System (“MMIS”), the Medicaid Eligibility and Enrollment (“E&E”) and Medicaid Health Information Exchange (“HIE”) projects, as well as its administrative branch. Specifically, the Contractor shall provide the following personnel:

- Direct service personnel;
- Trained managerial personnel;
- Information systems personnel;
- Project managers; and
- Specialists for the MMIE, E&E, and HIE projects.

The Proposed Contract has a term from October 1, 2023 to **September 30, 2024**, with the option to extend upon written agreement. We remind the Department that, in the event it intends to exercise any extension to the Proposed Contract, such extension must be submitted to the Oversight Board for review and approval prior to execution in accordance with the Policy.

The Proposed Contract has a maximum payable amount of **\$20,000,000**, which shall be covered with a mix of General Funds and reimbursed Federal Funds allocated in the following accounts:

- Administrative Support; \$5,000,000:
 - 50% federal funds: **(PS8.4) E1294-272-0710000-03F-H2375RQTADMN-2023; (PRIFAS) 272-0710000-081- 2375RQTADMN-2023**; \$2,500,000;
 - 50% general funds: **(PS8.4) E1294-201-0710000-082-H2375RQTADMN-2023; (PRIFAS) 201-0710000-082- 2375RQTADMN-2023**; \$2,500,000.
- E&E DDI; \$350,000:
 - 90% federal funds: **(PS8.4) E1294-272-0710000-03F-H2305RQELENDDI-2023; (PRIFAS) 272-0710000-081- 2305RQELEN-2023**; \$315,000;
 - 10% general funds: **(PS8.4) E1294-201-0710000-082-H2305RQELENDDI-2023; (PRIFAS) 201-0710000-082- 2305RQELEN-2023**; \$35,000.
- E&E Operations Process System; \$10,000,000:
 - 75% federal funds: **(PS8.4) E1294-272-0710000-03F-H2305RQELEMOMO75P-2023; (PRIFAS) 272-0710000-081-2022-2305RQELEN**; \$7,500,000;
 - 25% general funds: **(PS8.4) E1294-201-0710000-082-H2305RQELENMOMO75-2023; (PRIFAS) 201-0710000-082-2023-2305RQELEN**; \$2,500,000.
- MMIS DDI; \$300,000:
 - 90% federal funds: **(PS8.4) E1294-272-0710000-03F-2023-H2305RQMMISD90; (PRIFAS) 272-0710000-081-2023-2305RQMMIS**; \$270,000;

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- 10% general funds: **(PS8.4) E1294-201-0710000-082-2023-H2305RQMMISD90;** **(PRIFAS) 201-0710000-082-2023-2305RQMMIS;** \$30,000.
- MMIS Phase III DDI; \$350,000:
 - 90% federal funds: **(PS8.4) E1294-272-0710000-03F-2023-H2305RQMMISD90;** **(PRIFAS) 272-0710000-081-2023-2305RQMMIS;** \$315,000;
 - 10% general funds: **(PS8.4) E1294-201-0710000-082-2023-H2305RQMMISD90;** **(PRIFAS) 201-0710000-082-2023-2305RQMMIS;** \$35,000.
- Proyecto MMIS CPEC; \$350,000:
 - 90% federal funds: **(PS8.4) E1294-272-0710000-03F-2023-H2305RQMMISD90;** **(PRIFAS) 272-0710000-081-2023-2305RQMMIS;** \$315,000;
 - 10% general funds: **(PS8.4) E1294-201-0710000-082-2023-H2305RQMMISD90;** **(PRIFAS) 201-0710000-082-2023-2305RQMMIS;** \$35,000.
- Proyecto MMIS Operations Processing System; \$3,500,000:
 - 50% federal funds: **(PS8.4) E1294-272-0710000-03F-H2305RQMMISMO75-2023;** **(PRIFAS) 272-0710000-081-2305RQMMIS-2023;** \$2,625,000;
 - 50 general funds: **(PS8.4) E1294-201-0710000-082-H2305RQMMISO75-2023;** **(PRIFAS) 201-0710000-082-2305RQMMIS-2023;** \$875,000.
- MMIS HIE; \$150,000:
 - 90% federal funds: **(PS8.4) E1294-272-0710000-03F-H2305RQMMISHIE-2023;** **(PRIFAS) 272-0710000-081-2305RQMMIS-2023;** \$135,000; and
 - 10% general funds: **(PS8.4) E1294-201-0710000-082-H2305RQMMISHIE-2023;** **(PRIFAS) 201-0710000-082-2305RQMMIS-2023;** \$15,000.

The Department has certified that the funds required for payments under the Proposed Contract are allocated in the corresponding accounts. As such, the Oversight Board's review indicates that the Department has sufficient budgeted funds in Fiscal Year 2024 to cover the cost of the Proposed Contract as of the date of this letter.

This determination does not consider the extent to which total available funds will be subsequently encumbered by the Department throughout the Proposed Contract's term. Consequently, we rely on the Department's budget certification for purposes of this review. In the event that the Proposed Contract causes the Department to exceed its budget, it must identify savings in other areas to cover any overbudgeted amounts and request a reapportionment of any identified funds to the Oversight Board in order to ensure compliance with the Certified Fiscal Year 2024 Commonwealth Budget.

Insofar as the Proposed Contract will be funded with future certified budgets, the Department must ensure that such budgets incorporate all costs related to the Proposed Contract.

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The Department is expected to inform the Oversight Board of any budgetary differences other than those specified in Appendix A and to request a re-review of the Proposed Contract should any changes occur.

This review was conducted on the basis of information submitted by the Department. The Oversight Board has not independently verified the information included in the submission. Should the Oversight Board become aware of any inaccuracies or misrepresentations – whether intentional or not – it would re-evaluate its assessment.