

FINANCIAL OVERSIGHT & MANAGEMENT BOARD FOR PUERTO RICO



David A. Skeel, Jr.
Chair

Members

Andrew G. Biggs
Arthur J. González
Antonio L. Medina
John E. Nixon
Justin M. Peterson
Betty A. Rosa

Natalie A. Jaresko
Executive Director

BY ELECTRONIC MAIL

August 16, 2021

Dr. Carlos Mellado López
Secretary
Department of Health

Re: Redmane Technology, LLC (2019-DS0574-F)

Dear Secretary Mellado López:

In accordance with the contract review policy of the Financial Oversight and Management Board for Puerto Rico (“FOMB”) established pursuant to Section 204(b)(2) of PROMESA (the “Policy”), we have reviewed the proposed amendment to the contract between the Department of Health (the “Department”) and Redmane Technology, LLC (the “Proposed Amendment”).

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

Our review is solely limited to the compliance of the Proposed Amendment with the applicable fiscal plan and no other matters. For the avoidance of doubt, the review performed by the FOMB does not cover 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 FOMB 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 Amendment or the original contract must be submitted to the FOMB for review and approval **prior to execution**.

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 not available when the review was conducted. In addition, during the course of our review, we may receive information which we may refer to the relevant authorities.

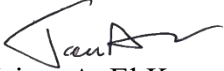
Dr. Carlos Mellado López

August 16, 2021

Page 2 of 2

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Jaime A. El Koury', with a stylized flourish at the end.

Jaime A. El Koury
General Counsel

APPENDIX A

(Page A-1)

REDMANE TECHNOLOGY, LLC – DEPARTMENT OF HEALTH (2019-DS0574-F)

Fiscal Plan Alignment

This review covers the proposed amendment to the contract between the Department of Health (the “Department”) and Redmane Technology, LLC (the “Consultant”) for the design, development, and implementation of a Medicaid Eligibility and Enrollment System (the “Proposed Amendment”).

The original contract contemplated the Design, Development and Implementation (the “DDI”) of the Puerto Rico Eligibility and Enrollment (the “PREE”). This contract was approved by the FOMB on November 7, 2018, and was effective from November 30, 2018 to September 30, 2020. However, on October 8, 2020, the FOMB approved an amendment to this contract which extended the term from October 1, 2020 until September 30, 2022, provided additional services related to the Microsoft Government Cloud Services, and increased the maximum payable amount to **\$25,719,724.00**.

The Proposed Amendment, on the other hand, amends the contract’s Scope of Work to include the following items:

1. Interface between MEDITI3G and ADSEF
2. Interface between MEDITI3G and ASUME
3. Interface between MEDITI3G and DRNA
4. Interface between MEDITI3G and the Demographic Registry
5. Notice of Action – Termination Due to Death
6. Overdue Evidence Verification at Intake
7. Enhancement to Evidence Verification in the PREE
8. Rules Updates
9. OBC ROP Reminder Task
10. Conversion Update for MMIS
11. ASSES Modifications
12. MEDITI3G System Changes to Support Manual Transition Rules Process
13. Public Health Emergency
14. Enhanced Appeals Functionality Update for FAST
15. Multifactor Authentication Software
16. IBM WebSphere Software

Accordingly, the Proposed Amendment increases the maximum payable amount by **\$2,785,625.00** to **\$28,505,350.00**. The Proposed Amendment shall be payable with **Federal Funds and General Funds** in the following manner:

\$2,554,625.00, corresponding to the PREE and the DDI, payable pursuant to the following distribution:

90%: (E1290) 272-071000006F-H2175EEIAP-2021 (PS 8.4); 272-0710000-081-H2175XEEIAP-2021 (PRIFAS);

APPENDIX A

(Page A-2)

10%: (E1290) 201-0710000-082-H2175EEIAP-2021 (PS 8.4); 201-0710000-082-H2175XEEIAP-2021(PRIFAS).

\$231,000.00, corresponding to Maintenance and Operation costs, payable pursuant to the following distribution:

75%: (E1290) 272-0710000-06F-2021-2175EEIAP (PS 8.4); 272-0710000-081-2021-H2175XEEIAP(PRIFAS);

25%: (E1290) 201-0710000-082-2021-2175EEIAP (PS 8.4); 201-0710000-082-2021-H2175XEEIAP (PRIFAS).

The Department has certified that the funds required for payments under the Proposed Amendment are allocated in the corresponding accounts. As such, the FOMB's review indicates that the Department has sufficient budgeted funds to cover the cost of the Proposed Amendment, as of the date of this letter. However, this determination does not consider the extent to which total available funds will be subsequently encumbered by the Department throughout the Proposed Amendment's term. Consequently, we rely on the Department's budget certification for the purposes of this review. In the event that the Proposed Amendment causes the PRDH to exceed its budget, it must find savings in other areas to cover any overbudgeted amounts and request a reapportionment of any identified funds to the FOMB, in order to ensure compliance with the Certified Budget for Fiscal Year 2022.

The Department is expected to inform the FOMB of any budgetary differences other than those specified in Appendix A (Contract Submissions Questionnaire) and to request a re-review of the Proposed Amendment should any changes occur.

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