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MEMORANDUM OF UNDERSTANDING BETWEEN

GUAM, DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES & THE VIRGIN ISLANDS OF HUMAN SERVICES THROUGH THE VIRGIN ISLANDS DEPARTMENT OF PROPERTY AND PROCUREMENT

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made this 27th day of March, 2025 in the territory of the Virgin Islands, by and between the **Government of the Virgin Islands, Department of Human Services** and the **Government of GUAM, Department of Public Health & Social Services**, each a "Party" or collectively "Parties" through the Department of Property and Procurement.

WITNESSETH:

Whereas, the Virgin Islands Department of Human Services is responsible for compliance with **42, CFR §433.112(b)(13)** and as one of the conditions for enhanced funding, states are required to "promote sharing, leverage, and reuse of Medicaid technologies and systems within and among States."

Whereas, the agencies have a common interest in ensuring This Memorandum of Understanding ("Memorandum") is an agreement between the US Virgin Islands & Guam that allows Guam to leverage the Virgin Islands' pharmacy benefit management (PBM) agreement, and to separately contract with the US Virgin Islands PBM Vendor, SGRX, to design, customize and operate Guam Medicaid's PBM services. The US Virgin Islands Medicaid program understands that Guam intends to separately contract with SGRX to meet the unique needs of Guam's Medicaid program."

Whereas, the agencies desire to combine efforts in ensuring that both agencies are willing and capable of providing such services, by entering into this MOU. The MOU will allow both parties to execute the key aspects of CMS leverage and reuse. CMS (Centers for Medicare & Medicaid Services) Leverage and Reuse is a policy and strategy encouraging states to reuse existing software, systems, and components when developing or enhancing Medicaid Enterprise Systems (MES). This approach helps reduce costs, improve efficiency, and accelerate implementation by leveraging solutions that have already been developed and approved.

Key Aspects of CMS Leverage and Reuse:



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1. Shared Solutions: Encourages states to use and adapt existing technologies, reducing the need for custom-built systems.
2. Cost Efficiency: Helps states save money by avoiding redundant development efforts.
3. Modularity: Supports modular MES architecture where components can be reused across different states and programs.
4. Federal Funding Alignment: CMS provides enhanced federal funding (such as 90/10 funding) for solutions that promote reuse.
5. State Collaboration: Encourages states to collaborate, share best practices, and adopt proven solutions.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound by this written instrument, the parties hereto do covenant and agree as follows:

1. TERM AND EFFECTIVE DATE

This MOU shall be effective upon the date of execution of this MOU by the Commissioner of the Department of Property and Procurement and shall terminate one (1) year thereafter. The Government in its sole discretion, shall have the option to renew this MOU for a period of five (5) additional one year periods subject to the same terms noted herein, by providing the Government of Guam, Department of Public Health and Social Services, with 60 days written notice of the Government's election to renew.

2. COSTS

There shall be no exchange of funds between the Parties for the performance of tasks under this MOU. Each Party shall bear all costs associated with the fulfillment of its responsibilities under this MOU.

3. RESPONSIBILITIES/ TASKS

Department of Human Services shall be responsible for:

- Maintaining a separate direct contract with contracted vendor ScriptguideRX.
- Participating in discussions with Department of Government of GUAM, Department of Public Health & Social Services on the status of contracted vendor's services
- Identifying, discussing, and sharing opportunities for leverage and reuse across contracts with the Department of Government of GUAM, Department of Public Health & Social Services

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Department of Government of GUAM, Department of Public Health & Social Services shall be responsible for:

- Maintaining a separate direct contract with contracted vendor ScriptguideRX.
- Participating in discussions with the Department of Human Services on the status of contracted vendor's services
- Identifying, discussing, and sharing opportunities for leverage and reuse across contracts with the Department of Human Services

4. DESIGNATED REPRESENTATIVE

Each Party shall designate a representative to oversee its responsibilities under this MOU.

Department of HUMAN SERVICES designates:

Averil E. George
Commissioner
Department of Human Services
1303 Hospital
Ground, Bld. A
St Thomas
VI 00802

GUAM Department of PUBLIC HEALTH & SOCIAL SERVICES designates:

Theresa Arriola
Director
Public Health & Social Services
155 Hessler Place,
Hagatna, Guam 96910

5. LIABILITY OF OTHERS

In authorizing Guam's leverage of the Virgin Islands' PBM agreement, the Virgin Islands assumes no liability or responsibility for the services provided by its PBM vendor or for the Virgin Islands' PBM, and Guam agrees to hold the Virgin Islands harmless for any damages arising out of Guam's use of the Virgin Islands' PBM.

In authorizing Guam's leverage of the Virgin Islands' PBM agreement, the Virgin Islands assumes no liability or responsibility for the services provided by its PBM vendor or for the Virgin Islands' PBM, and Guam agrees to hold the Virgin Islands harmless for any damages arising out of Guam's use of the Virgin Islands' PBM.



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The Virgin Islands understands Guam intends to separately contract with the Virgin Islands' PBM vendor to meet the unique needs of Guam's Medicaid Program

6. ASSIGNMENT

Neither Party shall subcontract or assign any part of the services or responsibilities under this MOU.

7. INDEMNIFICATION

Guam agrees to indemnify and hold harmless the Virgin Islands and its employees from and against all liability, loss, damage, cost and expense, including all costs of litigation and attorney's fees and all claims, suits and demands arising out of or resulting from the acts or omissions of the Virgin Islands, its employees, agents, contractors and for the acts or omissions of the PBM contractor, its employees, agents or contractors in any way relating to the PBM services provided by the Virgin Islands to Guam via the Virgin Islands' PBM vendor.

8. GOVERNING LAW

The validity of this Memorandum and any of its terms and provisions, as well as the rights and duties of the parties to this Memorandum, shall be governed by the laws of the United States Virgin Islands. Any action in law or equity to enforce or interpret the provisions of this Memorandum shall be brought in the United States Virgin Islands Superior Court or the District Court of the Virgin Islands in the appropriate venue of St. Thomas, United States Virgin Islands, and the applicable law shall be determined based upon United States Virgin Islands law. Guam specifically agrees the Virgin Islands shall not be compelled to litigate or resolve any matter pertaining to this Memorandum outside the jurisdictional boundaries of the United States Virgin Islands.

9. COMPLIANCE

The parties agree that they will respectively comply with all laws, rules, regulations and standards governing their respective programs and that timely notice will be provided to the other party if compliance cannot be accomplished within the authority of this Memorandum.

10. NOTICE OF MATERIAL BREACH

Prior to initiating any legal action pertaining to this Memorandum, each party agrees to provide the other party with a written "Notice of Material Breach" which clearly details how a material breach or failure to perform has occurred under a specified provision of this Memorandum, identifies the particular harm being caused, and articulates a cure that would



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resolve each material breach at issue. The other party to this Memorandum shall provide a written response to said "Notice of Material Breach" within 30 working days. Thereafter, the party that issued the "Notice of Material Breach" shall provide the responding party with a written statement within 30 working days of whether each material breach has been cured or whether it intends to pursue legal action. The parties may mutually agree in writing to an extension of the deadlines set forth in this "Notice of Material Breach" provision. All communication between the parties relating to this provision or to any "Notice of Material Breach" shall be directed to each party's respective Medicaid Director.

11. WAIVERS AND AMENDMENTS

No waiver, modification or amendment of any term condition or provision of this MOU shall be valid or of any force or effect unless made in writing, signed by the parties hereto or their duly authorized representatives, and specifying with particularity the nature and extent of such waiver, modification or amendment. Any such waiver, modification or amendment in any instance or instances shall in no event be construed to be a general waiver, modification or amendment of any of the terms, conditions or provisions of this MOU, but the same shall be strictly limited and restricted to the extent and occasion specified in such signed writing or writings.

12. ENTIRE AGREEMENT

This Memorandum sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the Virgin Islands and Guam relative to this Memorandum. This Memorandum supersedes all prior agreements, conditions, understandings, promises, warranties, or Representations, oral or written, express or implied, between the Virgin Islands and Guam other than as set forth or referred to herein.

13. CONDITION PRECEDENT

This MOU shall be subject to the availability and appropriation of funds and to the approval of the Commissioner of the Department of Property and Procurement.

14. SEVERABILITY

In the event that any provision of this Memorandum is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Memorandum.

15. NON-DISCRIMINATION



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No person shall be excluded from participating in, be denied the proceeds of or be subject to discrimination in the performance of this MOU on account of race, creed, color, sex, religion, disability or national origin.

16. TERMINATION

Either party will have the right to terminate this MOU with or without cause on thirty (30) days written notice to the other party specifying the date of termination.

17. CONFLICT OF INTEREST

Both Parties covenant that it has no interest and will not acquire any interest direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this MOU.

18. NOTICE

Any notice required to be given by the Terms of this MOU shall be deemed to have been given when the same is sent by certified mail, postage prepaid or personally delivered, addressed to the parties as follows:

Lisa M. Alejandro
Commissioner
Department of Property and Procurement
8201 Sub Base, Suite 4
St. Thomas Virgin Islands 00802

Averil E. George
Commissioner
Department of Human Services
1303 Hospital Ground, Bld. A
St Thomas Virgin Islands 00802

Theresa Arriola
Director
Public Health & Social Services
155 Hessler Place
Hagatna, Guam 96910



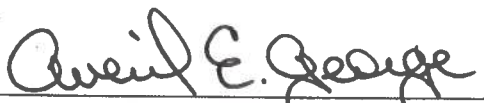
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19. FASCIMILE, ELECTRONIC & DIGITAL SIGNATURES

A facsimile, electronic or digital signature on this Contract shall be deemed an original and binding upon the Parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

GOVERNMENT OF THE VIRGIN ISLANDS



AVERIL E. GEORGE, COMMISSIONER
DEPARTMENT OF HUMAN SERVICES

03/10/25

Date



THERESA ARRIOLA, DIRECTOR
GUAM DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES

3/5/25

Date



LISA M. ALEJANDRO, COMMISSIONER
DEPARTMENT OF PROPERTY AND PROCUREMENT

03/27/2025

Date

APPROVED AS TO LEGAL SUFFICIENCY
DEPARTMENT OF JUSTICE BY:





Date