

**SCHEDULE 6**

**PERFORMANCE MONITORING  
AND  
PAYMENT MECHANISM**

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**PERFORMANCE MONITORING**  
**AND**  
**PAYMENT MECHANISM**

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**SCHEDULE 6**  
**Performance Monitoring Regime and Payment Mechanism**

**General**

**Part A: Interpretation**

**1. DEFINITIONS**

In this Schedule unless the context requires otherwise the following expressions shall have the following meanings and expressions defined in Schedule 1 shall have the same meaning in this Schedule.

<b>"Accessibility Condition"</b>	means a state or condition of the relevant Functional Part or the means of access to it which allows all persons who are entitled to enter, occupy or use the relevant Functional Part to enter and leave the Functional Part safely and conveniently and using normal access routes;
<b>"Actual Clinical Costs"</b>	has the meaning given in paragraph 2.1.1 of Part G of Section II of this Schedule;
<b>"Additional Items"</b>	means any additional treatments or items which sit outside the scope of the Clinical Services but which require to be provided by ClinCo;
<b>"Annual ClinCo Equipment Payment"</b>	means the sum in US dollars calculated in accordance with the provisions set out in paragraph 2.1 of Part J or Section II of this Schedule 6;
<b>"Annual Unitary Payment"</b>	means the sum in US Dollars calculated in accordance with the provisions set out in paragraph 2, Part B of Section I of this Schedule;
<b>"Area Weighting Percentage"</b>	means the percentage weighting ascribed to the relevant Functional Area for each Facility for the purpose of calculating Deductions for Unavailability Events as set out in Appendix D to Section I of this Schedule;
<b>"Availability Condition"</b>	means any of (i) the Accessibility Condition, (ii) the Safety Condition, and (iii) the Use Condition;
<b>"Base Date"</b>	means the 1st April 2006;
<b>"Basket Items Reconciliation Date"</b>	has the meaning given in Part 3 of Schedule 23 (Value Testing Procedures)

<b>"Bedding-In"</b>	means a tolerance level for the making of Deductions in respect of Performance Failures, Unavailability Events or Service Issues (as the case may be) allowed for a period of time from the start of the Operational Term as more particularly described in paragraph 2 of Part C of Section I in the case of Performance Failures and paragraph 9 of Part I of Section II in the case of Service Issues;
<b>"Benchmark Information"</b>	means pricing and utilisation information from other countries in the Caribbean, OECD Countries and PAHO Countries in relation to the provision of services equivalent to the Clinical Services;
<b>"Capitation Commencement Date"</b>	means, subject to the provisions of paragraph 2.2 of Part H to Section II of this Schedule, the first day of the month following the second anniversary of the date of the commencement of the Operational Term;
<b>"Capitation Rate"</b>	means the amount payable by TCIG to ClinCo each month during a Capitation Year in respect of each Member;
<b>"Capitation Review"</b>	means the annual review to be carried out pursuant to the provisions of paragraph 3 of Part H of Section II of this Schedule including, where applicable, a Triennial Review;
<b>"Capitation Year"</b>	means the period of twelve months from the Capitation Commencement Date and thereafter the period of twelve months from each anniversary of such date;
<b>"Catastrophe"</b>	means shall comprise the following: <ul style="list-style-type: none"> <li>(a) natural disasters;</li> <li>(b) major accidents and/or crashes; and</li> <li>(c) epidemics;</li> </ul>
<b>"Category A Performance Indicator"</b>	means a performance indicator for Clinical Services where a Service Issue triggers an immediate Deduction for failure to achieve the relevant performance threshold as set out in Appendix H to Section II of this Schedule;
<b>"Category A Service Issue"</b>	means performance by ClinCo which does not meet the relevant threshold for a Category A Performance Indicator and which may trigger

	a Deduction and/or a Service Investigation;
<b>"Category B Performance Indicator"</b>	means a performance indicator for Clinical Services where a Service Issue is the subject of or triggers a Service Review and/or Service Investigation as its initial sanction for failure to achieve the relevant performance threshold as set out in Appendix H to Section II of this Schedule;
<b>"Category B Service Issue"</b>	means performance by ClinCo which does not meet the relevant threshold for a Category B Performance Indicator and which may be subject of or trigger a Service Review and/or Service Investigation;
<b>"ClinCo Data Review"</b>	means the review to be carried out by ClinCo in accordance with paragraph 4 of Part I of Section II of this Schedule 6;
<b>"ClinCo Deficiency"</b>	means a Service Issue which is designated as a ClinCo Deficiency in accordance with paragraph 2.5 of Part I of Section II of this Schedule;
<b>"ClinCo Performance Data"</b>	means the data relating to ClinCo's performance of Clinical Services as set out in paragraph 5 of Part I of Section II and Appendix K of this Schedule 6;
<b>"ClinCo Performance Report"</b>	means the report compiled by ClinCo in respect of Clinical Services referred to in Paragraph 6 of Part I of Section II of this Schedule;
<b>"ClinCo Equipment Payment"</b>	means the amount payable by TCIG to ClinCo pursuant to Part J of Section II of this schedule (in respect of the Equipment Services);
<b>"Clinical Amount"</b>	means the amount payable by TCIG to ClinCo in respect of Clinical Service Provision for each Capitation Year pursuant to the provisions of Part H of Section II of this Schedule;
<b>"Clinical Costs"</b>	means the fixed and variable costs of ClinCo in relation to Clinical Service Provision as identified in Appendix E2 to Section II of this Schedule;
<b>"Clinical Performance Indicators"</b>	means together Category A Performance Indicators and Category B Performance Indicators;



<b>"Clinical Rectification Completion Report"</b>	means a report to be prepared by ClinCo reporting that a Clinical Services Rectification Plan has been completed in accordance with its requirements and providing such evidence as may be reasonable to the Service Review Board of such completion;
<b>"Clinical Service Provision"</b>	means the performance and/or observance of ClinCo's obligations to provide Clinical Services;
<b>"Clinical Services Payment"</b>	means the sum in US dollars payable by TCIG to ClinCo for the provision of Clinical Services in accordance with Part G of Section II of this Schedule and following the Capitation Commencement Date calculated or established in accordance with Part H of Section II of this Schedule;
<b>"Clinical Services Rectification Plan"</b>	means a plan for rectification of a ClinCo Deficiency made by the Service Review in accordance with the provisions of Part I of Section II of this Schedule 6 which shall include a series of timed remedial actions or changes to ClinCo's procedures that are aimed at the elimination of the relevant ClinCo Deficiency or, as the case may be, of the probability of the relevant ClinCo Deficiency re-occurring;
<b>"COED"</b>	means the Convention on the Organisation for Economic Co-operation & Development dated 14 December 1960 (as may be amended from time to time);
<b>"Consumer Prices Index"</b>	means the Consumer Price Index - All Urban Consumers (CPI-U) for the US City Average for all items (Series ID: CUU R0000SA0), as published by the US Department of Labor Bureau of Labor Statistics from time to time or such other index as may replace or supersede the same or, in the absence of a replacement or superseding index, such other appropriate index as the Parties may agree or, failing agreement, as may be determined by reference to the Dispute Resolution Procedure;
<b>"Contract Day"</b>	means a 24 hour period commencing at midnight at the start of the relevant day;
<b>"Contract Month"</b>	means a calendar month;
<b>"Deduction"</b>	means a deduction made from a Unitary Payment a Partial Unitary Payment or a Clinical Services Payment in accordance with

	<p>this Schedule;</p>
<p><b>"Depository Government"</b></p>	<p>has the meaning given to the term "Depository Government" in Article 14(2) of the COED;</p>
<p><b>"Event"</b></p>	<p>means an incident or state of affairs affecting a Functional Part (which has been notified to the Provider's Representative by TCIG or has been deemed to have been notified pursuant to paragraph 6 of Part C of this Section I) such that the Functional Part does not meet or comply with the performance parameters set out in the FM Service Level Specifications and/or results in the Availability Condition not being met;</p>
<p><b>"Functional Area"</b></p>	<p>means an area comprising two or more Functional Units specified as such in Appendix D to Section I of this Schedule;</p>
<p><b>"Functional Part"</b></p>	<p>means a Functional Unit or a Functional Area according to the context in which it is used;</p>
<p><b>"Functional Unit"</b></p>	<p>means a room or space within a Functional Area which is specified as such in Appendix D to Section I of this Schedule;</p>
<p><b>"Health &amp; Safety Policy"</b></p>	<p>means the health and safety policy to be developed as one of the staff policies by the parties in accordance with the Implementation Plan;</p>
<p><b>"Healthcare Package"</b></p>	<p>means the package of healthcare benefits available to Members as specified by the NHIB;</p>
<p><b>"Helpdesk"</b></p>	<p>means the contact point to be established by InfraCo to facilitate the logging of the occurrence of Events and other day to day matters arising in relation to the provision of Services;</p>
<p><b>"Initial Budget"</b></p>	<p>means the initial budget for the projected Interim Clinical Services Payment calculated in accordance with paragraph 1 of Part G of Section II of this Schedule;</p>
<p><b>"Interim Clinical Services Payment"</b></p>	<p>means the Clinical Services Payment payable during the Interim Clinical Services Period calculated in accordance with Part G of Section II of this Schedule;</p>
<p><b>"Interim Clinical Services Period"</b></p>	<p>means the period from the commencement of the Operational Term until the Capitation</p>



Commencement Date;

**"Major Performance Failure"**

means a Performance Failure which has been designated in the FM Service Level Specifications or in this Schedule as a Major Performance Failure;

**"Market Testing Date"**

has the meaning given in Schedule 23;

**"Market Testing"**

has the meaning given in Schedule 23;

**"Medium Performance Failure"**

means a Performance Failure which has been designated in the FM Service Level Specifications or in this Schedule as a Medium Performance Failure;

**"Member Months"**

means for each Capitation Year, the aggregate number of months, calculated as follows:

$$\text{Member Months} = M \times AF \times 12$$

where

M means the number of Members for the relevant Capitation Year; and

AF means the adjustment factor necessary to reflect changes and/or fluctuations in the number of Members during the relevant Capitation Year;

**"Members"**

means those persons from time to time registered and/or capable of being registered under the NHI Plan;

**"Minimum Agreed Availability Conditions"**

means the Accessibility Condition and the Safety Condition together with the Use Condition, as temporarily modified as permitted in accordance with paragraph 7 of Part C to Section I of this Schedule for the purposes of a Temporary Repair;

**"Minimum Unavailability Deduction"**

means the sum of \$50 which shall be index linked provided that for the avoidance of doubt, if more than one Functional Unit or Functional Area is rendered Unavailable by an Unavailability Event, the amount of the Minimum Unavailability Deduction in respect of that Unavailability Event remains the same;

**"Minor Performance Failure"**

means a Performance Failure which has been designated in the FM Service Level Specifications or in this Schedule as a "Minor



	Performance Failure”;
<b>“Monthly Clinical Amount”</b>	means one twelfth of the relevant Clinical Amount;
<b>“Net Third Party Income”</b>	means Third Party Income net of the additional costs reasonably incurred by ClinCo in generating Third Party Income;
<b>“NHI Plan”</b>	means the TCIG national health insurance plan operated through NHIB on behalf of TCIG;
<b>“Non-Clinical Services”</b>	has the same meaning as FM Services;
<b>“Non-Clinical Services Rectification Plan”</b>	means a detailed plan for the rectification or remedy of Performance Failures and/or Unavailability Events which shall include the reasons for the Performance Failure and/or Unavailability Event, detailed proposals and specifications for carrying out any rectification or remedial work and the timetable by which each element or component of such work is to be completed;
<b>“Non-Entitled Individuals”</b>	means visitors or other individuals who are not entitled to the Healthcare Package under the NHI Plan;
<b>“OECD Countries”</b>	means any country that has from time to time agreed to assume obligations of membership of the Organisation for Economic Co-operation & Development and to accede to the COED provided always that an instrument of accession has been deposited with the Depositary Government;
<b>“PAHO Countries”</b>	means those countries from time to time entitled to membership of the Pan American Health Organisation or which have the right to be represented and to participate in the Pan American Health Organisation by virtue of Article 2 of the Constitution of the Pan American Health Organisation;
<b>“Performance Failure”</b>	means any failure by InfraCo in the provision of Non-Clinical Services in accordance with this Agreement and in particular in accordance with the FM Service Level Specifications;
<b>“Performance Monitoring Period”</b>	means a period of time specified in the performance parameters section of each of the FM Service Level Specifications in respect of a Service or a part of a Service being a

period by reference to which InfraCo has an obligation to monitor its performance of a Service;

**"Performance Monitoring Report"**

means the report specified in each of the FM Service Level Specifications in respect of a Non-Clinical Service or a part of a Non-Clinical Service which InfraCo has an obligation to prepare for the TCIG in respect of its performance of that Service or the relevant part of it during a specified period;

**"Permanent Repair"**

means Rectification where a Temporary Repair has been permitted and carried out pursuant to paragraph 7 of Part C of Section I of this Schedule;

**"Private Medical Practitioner"**

means a medical practitioner at the time practising on TCI who is not employed by ClinCo (including GP's and family doctors);

**"Quarterly Period"**

means following the start of the Operational Term a period of three (3) Contract Months commencing on 1st January, 1st April, 1st July or 1st October (as the case may be) and the last Quarterly Period shall end on the Expiry Date or if earlier the Termination Date;

**"Reconciliation Period"**

has the meaning given in paragraph 2.2 of Part G of Section II of this Schedule;

**"Rectification Confirmation Notice"**

means a written notice from InfraCo via the Provider's Representative to TCIG confirming the date and time that Rectification has been completed with respect to the relevant Event;

**"Rectification Time"**

means in the case of an Event which, if not rectified, will result in Unavailability, a period of 8 hours or, in the case of any other Event, the period specified in Appendix E1 within which Rectification of the relevant Event in the relevant Functional Part must be completed, calculated in either case from the time that such Event is reported to the Helpdesk;

**"Rectification"**

means (in the case of Non-Clinical Services) following the occurrence of an Event, making good the Event so that the subject matter of the Event no longer breaches the levels of service required pursuant to this Agreement and "Rectify" shall be construed accordingly;

**"Reduced Unitary Payment"**

means the payment payable from the Payment Commencement Date to the Final Effective Date calculated in accordance with



	paragraph 1 of Part B of Section I of this Schedule;
<b>"Refresh Items Benchmarking Exercise"</b>	means the benchmarking exercise carried out pursuant to Part 3 of Schedule 23 (Value Testing Procedure);
<b>"Safety Condition"</b>	means a state or condition of the relevant Functional Part which allows such Functional Part to be used safely including but not limited to compliance with the Health & Safety Policy and any Law or HRA Requirement which applies to such Functional Part and/or which relates to fire safety or health and safety at work;
<b>"Service Failure Points"</b>	means points allocated to InfraCo in respect of the occurrence of Unavailability Events and Performance Failures which are determined by the provisions set out in Part F of Section I of this Schedule and Appendix B;
<b>"Service Investigation"</b>	means an investigation commissioned by the Service Review Board of an aspect of Clinical Services in respect of which a Service Issue has been identified which investigation shall be carried out in accordance with paragraph 2 of Part I of Section II of this Schedule;
<b>"Service Issue"</b>	together any Category A Service Issue and any Category B Service Issue;
<b>"Service Review Board"</b>	the review board to be established for the monitoring of Clinical Services the membership and terms of reference of which are set out in Part I of Section II of this Schedule;
<b>"Service Review Chair"</b>	means the person nominated by TCIG from time to time to act as Chair of the Service Review Board in accordance with paragraph 1 of Part I of Section II of this Schedule;
<b>"Service Review"</b>	a meeting of the Service Review Board held in accordance with paragraph 2 of Part I of Section II of this Schedule;
<b>"Statement of Net Third Party Income"</b>	means a statement to be given by ClinCo pursuant to paragraph 5.2 of Part H of Section II of this Schedule;
<b>"TCIG Accounting Date"</b>	means 1st April in each year;
<b>"TCIG Inspection Report"</b>	means the report compiled following a TCIG Inspection in accordance with paragraph 7 of



Part I of Section II of this Schedule;

**"TCIG Inspection"**

means an inspection of the Clinical Services pursuant to paragraph 7 of Part I of Section II of this Schedule;

**"Temporary Repair"**

means, in respect of the occurrence of an Event, works of a temporary nature carried out in accordance with paragraph 7 of Part C of Section I of this Schedule that do not constitute Rectification but satisfy the Minimum Agreed Availability Conditions and substantially make good the relevant Event for the period until a Permanent Repair can be undertaken;

**"Third Party Income"**

means additional income received by ClinCo from third parties in respect of the provision of health related services on the Turks and Caicos Islands;

**"Traffic Light Warning Points"**

means the KPI Traffic Light Warning Points set out in Appendix I of Section II of this Schedule;

**"Triennial Review"**

means a Capitation Review carried out pursuant to the provisions of 3.3 of Part H of Section II of this Schedule;

**"Unavailability Event"**

means an Event which has not been Rectified within the relevant Rectification Period and which on expiry of the relevant Rectification Period causes a Functional Part to be Unavailable;

**"Unavailable and Unavailability"**

means in relation to a Functional Part that such Functional Part is in a state or condition which does not comply with any one or more of the Availability Conditions;

**"Unit Weighting Percentage"**

means the percentage weighting ascribed to each Functional Unit for the purpose of calculating Deductions for Unavailability Events as set out in Appendix D to Section I of this Schedule;

**"Unitary Payment"**

means the sum in US dollars payable by TCIG to InfraCo for the provision of the Non-Clinical Services in accordance with this Agreement;

**"Unrectified ClinCo Deficiency"**

has the meaning set out in paragraph 9.1 of Part I of Section II of this Schedule;

**"Use Condition"**

means a state or condition of the relevant Functional Part which satisfies the Use Parameters for that Functional Part;

**"Use Parameters"**

means the range of functional requirements and tolerances for the proper use and enjoyment of a Functional Part for its particular purpose relating to (i) temperature; (ii) humidity; (iii) ventilation air-flow; (iv) lighting; (v) power (essential and non-essential); (vi) safe water (relating to availability, temperature, quality and safe sewerage system); (vii) nurse call system to the extent the same are set out in Appendix D to Section I of this Schedule (Use Parameters) for the relevant Functional Part;

**"Value Tested Services"**

has the meaning given in Schedule 23;

**"Warning Point"**

means a warning point awarded to ClinCo for failure to comply with a Clinical Services Rectification Plan in accordance with Appendix H of Section II of this Schedule;