



**STATE PROCUREMENT OFFICE
NOTICE OF REQUEST FOR EXEMPTION
FROM HRS CHAPTER 103D**

13 AUG 21 A7:59

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Department of Health
Name of Requesting Department

Pursuant to HRS § 103D-102(b)(4) and HAR chapter 3-120, the Department requests a procurement exemption for the following:

1. Describe the goods, services or construction:
The Family Health Services Division contracts with thirteen (13) federally qualified health centers ("FQHC") for the provision of comprehensive primary care services to uninsured/underinsured individuals whose incomes are at or below 250% of the federal poverty level. This request is to provide on-site compliance audits of clinical record documentation and medical service billings for the thirteen FQHCs. The audit is being conducted in accordance with the provisions of Section 3-149-401 (Contract Monitoring) of the Hawaii Administrative Rules for Chapter 103F, HRS.

2. Vendor/Contractor/Service Provider: Healthcare Coding Consultants of Hawaii, LLC		3. Amount of Request: \$ 24,150.00
4. Term of Contract From: 1-Sep-13	To: 30-Jun-14	5. Prior SPO-007, Procurement Exemption (PE):

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:
Although there are several medical coding companies in Hawaii, these companies typically provide services to clients related to third party reimbursement only. In other words, most medical coding companies employ coders who are trained to follow Current Procedural Terminology ("CPT") and International Classification of Diseases ("ICD") diagnosis coding guidelines for third party reimbursement. They typically review medical codings for clients on standardized claim forms such as the UB-04 (hospital) or the CMS-1500 (outpatient), perspective (prior to submission), or retrospectively (after-the-fact), in order to reconcile medical coding errors. In addition to providing the aforementioned services, Healthcare Coding Consultants of Hawaii, LLC ("HCCH") is unique in that it is the only medical coding company, to our knowledge, that provides on-site compliance audits of contracted medical services. This includes on-site compliance audits of clinical record documentation and retrospective audits of medical service billings that are specific to the terms and conditions of each contract. HCCH has a medical professional on staff, as well as ten (10) certified professional coders, of which three (3) are nationally certified medical review auditors.

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:
As noted in Item 6, Healthcare Coding Consultants of Hawaii, LLC is the only medical coding company, to our knowledge, that provides on-site compliance audits of contracted medical services.

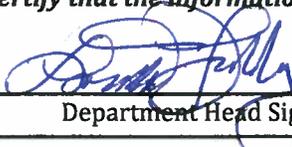
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8. Identify the primary responsible staff person(s) conducting and managing this procurement. (Appropriate delegated procurement authority and completion of mandatory training required).

*Point of contact (Place asterisk after name of person to contact for additional information).

Name	Division/Agency	Phone Number	e-mail address
Gordon Takaki	Family Health Services Division/Dept. of Health	733-8365	gordon.takaki@doh.hawaii.gov

*All requirements/approvals and internal controls for this expenditure is the responsibility of the department.
I certify that the information provided above is, to the best of my knowledge, true and correct.*



Department Head Signature

8/20/13

Date

For Chief Procurement Officer Use Only

Date Notice Posted:

8.21.13

Inquiries about this request shall be directed to the contact named in No. 8. Submit written objection to this notice to issue an exempt contract within seven calendar days or as otherwise allowed from date notice posted to:

state.procurement.office@hawaii.gov

Chief Procurement Officer (CPO) Comments:

Department has withdrawn the request and will utilize the appropriate method of procurement.

If there are any questions, please contact Bonnie Kahakui at 587-4702, or bonnie.a.kahakui@hawaii.gov.

Approved

Disapproved

No Action Required


Chief Procurement Officer Signature

10/18/2013
Date