

STATE OF HAWAII
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103F, HRS

RECEIVED
State Procurement Office
8/1/16

To: Chief Procurement Officer

From: Department of Health, Adult Mental Health Division
Department/Division/Branch or Office

Pursuant to § 103F-101(a)(4), HRS, and Chapter 3-141, HAR, the Department requests a procurement exemption to purchase the following:

1. Title and description of health and human service(s): Expanded Adult Residential Care Home (E-ARCH) services for patients currently at the Hawaii State Hospital (HSH) and other appropriate consumers who have been determined to not require a hospital level of care. E-ARCH is a category of adult residential care home that is qualified to serve nursing facility level residents.		
2. Provider Name and Address:	Various licensed E-ARCH facilities	
3. Total Contract Funds:	\$4,544,000	Check if estimated: <input checked="" type="checkbox"/>
Contract Funds per Year (if applicable):	Year 1: \$2,272,000 Year 2: \$2,272,000	
4. Reference number of Previous Request for this Service (if applicable):	PEH No. 15-06	
5. Term of Contract:	Start: 11/01/16	
	End: 10/31/18	

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6. Describe how procurement by competitive means is either not practicable or not advantageous to the State:

A shortage of specialized treatment resources in the community continues to be a critical problem for the Adult Mental Health Division (AMHD). For patients at the HSH, who no longer require hospitalization, placement in the community is imperative to avoid a violation of the Olmstead Law, which requires states to provide services to individuals in the least restrictive level of care. If hospitalization at the HSH is no longer required, the AMHD is required to transition the patient to support services provided in the community. AMHD consumers residing in other community settings may also benefit by an E-ARCH placement.

Currently, there are 229 licensed facilities that are capable of providing E-ARCH services in the community. Providers need to be certified by the Department of Health's Office of Healthcare Assurance (OHCA) in order to be an E-ARCH operator. Each year, around April or May (dates are dependent upon HSH availability), notices are sent to all E-ARCH providers on OHCA's list of residential care home operators, which is updated every year. Potential AMHD E-ARCH providers are informed of AMHD's training and submit a registration form if they are interested in attending. The training lasts between two to three days, dependent on the curriculum. At the end of the training, if the residential care home operators are asked if they would like to become an AMHD E-ARCH provider. If the residential care home operator expresses an interest in becoming an AMHD E-ARCH Provider, AMHD makes an appointment with the potential provider, to go over all aspects of the E-ARCH program. AMHD does this to ensure the potential E-ARCH Provider is informed of what is required of them, so that there are no surprises after the consumer is transitioned to their home. All licensed care home operators on Oahu, expressing an interest in becoming an E-ARCH provider is accepted. The E-ARCH program is Oahu-based.

The AMHD seeks an exemption to continue to be able to contract with any licensed E-ARCH provider who is interested in providing services for discharged HSH patients and other AMHD consumers who might be appropriate for E-ARCH placement.

Competitive procurement is neither practical nor advantageous to the State because AMHD would like to contract with any and all licensed E-ARCH providers who are interested in providing services for adults with severe and persistent mental illness. The AMHD proposes to provide services to 65 consumers in Year 1 and Year 2. The cost per consumer may fluctuate, depending on each consumer's needs. There are 3 levels of care in the rate schedule. Each level is paid per day, per consumer: Level 1 is \$131.51; Level 2 is \$147.95; and Level 3 is \$164.38. Individual placement decisions will be made on a patient-by-patient basis, based on criteria described below.

7. Describe the reason for the selection of the provider including a description of how the procedure ensured the maximum fair and open competition practicable:

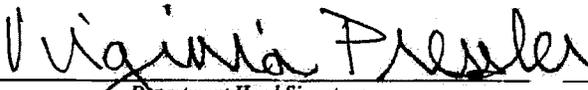
OHCA licenses E-ARCH providers. Any individual that meets the minimum qualifications can apply to be a licensed E-ARCH provider.

AMHD staff conducts continuous outreach to all licensed E-ARCH providers to keep them aware of AMHD's interest in placing its consumers in their facility and to identify placement opportunities for specific, appropriate consumers. The AMHD will maintain and update a list of E-ARCH providers interested in accepting AMHD consumers. When an individual is ready for discharge from HSH, HSH's clinical staff will determine which E-ARCH facility is most appropriate based on 1) bed availability; 2) geographical location including proximity to the patient's family and community supports; 3) the match between a particular patient's needs and other residents of the E-ARCH; and 4) the on-site assessment of placement appropriateness in the judgment of the patient and the E-ARCH staff. The same criteria will be used by other AMHD clinical staff for those consumers who are not HSH patients, but are considered appropriate for E-ARCH placement.

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8. Describe the state agency's internal controls and approval requirements for the exempted procurement: Service and administrative requirements under the contract shall be monitored through AMHD's regular oversight and monitoring procedures.	
9. List the state agency personnel, by position title, who will be involved in the approval process and administration of the contract: Amy Yamaguchi, AMHD Public Health Administrative Officer (PHAO) Enid Kagesa, AMHD Contracts Coordinator	
10. Direct questions to (name & position): Phone number: e-mail address:	Enid Kagesa 808-586-4667 enid.kagesa@doh.hawaii.gov

I certify that the information provided above is to the best of my knowledge true and correct.


Department Head Signature
AUG - 1 2016
Date
Virginia Pressler, M.D.
Typed Name

NOTICE
The chief procurement officer is considering this request for exemption and, if there is good cause, the state intends to exempt the purchase as described in the request. Any inquiries regarding the purchase shall be directed to the contact person noted in item 10 of the request. Any concerns regarding the exemption shall be in writing and received by the chief procurement officer within seven days of the date the notice was first posted. Concerns shall be mailed to: Chief Procurement Officer, State Procurement Office, 1151 Punchbowl St., #230A, Honolulu, HI 96813.

FOR CHIEF PROCUREMENT OFFICER USE ONLY

Chief Procurement Officer's Comments:

This approval is for the procurement process only. Each service provider is required to be compliant with applicable laws, and verified on the Hawaii Compliance Express, if applicable. This award is required to be posted on the Awards Reporting System.

If there are any questions, please contact Corinne Higa at 587-4706 or corinne.y.higa@hawaii.gov.

APPROVED DISAPPROVED NO ACTION


Chief Procurement Officer Signature
8/22/16
Date

Department shall ensure adherence to applicable administrative requirements.
All requirements/approvals and internal controls for this expenditure are the responsibility of the department.