

**STATE OF HAWAII**

**NOTICE OF AND REQUEST FOR  
RESTRICTIVE PURCHASE OF SERVICE  
PURSUANT TO §103F-403, HRS**

To: Chief Procurement Officer

'06 SEP -7 A 7:01

From: Health/CDD/STD-AIDS  
*Department/Division/Branch or Office*

ADMINISTRATION  
STATE PROCUREMENT OFFICE  
STATE OF HAWAII

Pursuant to §103F-403, HRS, and Chapter 3-144, HAR, the department head has made a determination that an adequate basis for a restrictive purchase of services exists and requests approval to make a restrictive purchase for the following:

1. Title and description of health and human service(s):	
Drug Co-payments for HIV-Related Medications for Individuals Enrolled in the HIV Drug Assistance Program who have Inadequate Prescription Drug Coverage Through Kaiser Permanente Hawai'i	
Using Federal Ryan White CARE Act funds, the State shall pay individual's share of cost (deductibles, co-payment, and/or co-insurance) for HIV-related medications for individuals: who meet financial eligibility requirements for the state's HIV Drug Assistance Program (HDAP); who have Kaiser Permanente insurance that covers prescriptions drugs; whose insurance coverage for prescription drugs is inadequate and leaves them with share of costs that they cannot afford to pay; who are ineligible for payment of these costs by another assistance program. Individuals who receive co-payment assistance for HIV medications through HDAP shall also receive support service from Kaiser Permanente staff to assist the patient with adherence to the prescribed medication regimens, to provide patient education information, and to ensure that excess medications are not dispensed.	
2. Provider Name and Address:	Kaiser Permanente Hawai'i Health Plan 711 Kapiolani Blvd Honolulu , HI 96814
3. Total Contract Funds:	\$30,000
Contract Funds per Year (if applicable)	\$30,000
4. Term of Contract	Start: 8/1/06 (or date of approval) End: 6/30/07
If the contract term is longer than 1 year, provide justification for the extended term:	

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5. Describe the circumstances justifying a restrictive purchase:

This request for restrictive purchase is to allow Kaiser Permanente to provide HIV-related medications to HDAP-enrolled individuals who have drug coverage through Kaiser and to bill HDAP for the client's cost share (deductible, co-payment, and/or co-insurance) for medications on the HDAP formulary. If approved, this restrictive purchase would allow the State to pay only the cost share amount for these individuals rather than providing medications that are purchased in full by the State. This restrictive purchase is advantageous to the State because it shifts most of the cost of providing HIV-related medications for these individuals to their Kaiser Permanente insurance.

HDAP provides HIV-related medications to people with HIV who have limited income and have no insurance coverage for prescription drugs, or whose prescription drug coverage provides inadequate access to HIV-related medications.

Currently, medications are purchased from a wholesaler (AmerisourceBergen) and are then dispensed to HDAP-enrolled patients by two entities: Kaiser Permanente Hawai'i for HDAP-enrolled patients who receive medical care through Kaiser, and CVS ProCare for all other HDAP-enrolled individuals. The purchase of medications was procured through an Invitation For Bids under 103D. The services of the main pharmacy (CVS ProCare) were procured through an RFP under 103F and include dispensing and pharmacy services to support medication adherence and to ensure that excess medications are not dispensed. HDAP provides Kaiser with replacement of the HIV-related medications that Kaiser dispenses, with HDAP approval, to HDAP-enrolled patients. Patient contact for adherence etc., is provided to HDAP-enrolled Kaiser members by the staff of Kaiser's HIV specialty clinic. The State has no contractual relationship with Kaiser for these services and Kaiser receives no payment from the State for these services.

Under this restrictive purchase, for HDAP-enrolled individuals with some level of prescription drug coverage through Kaiser Permanente, Kaiser would fill prescriptions using Kaiser-purchased medications and would receive payment from the State for the HDAP-enrolled individuals' share of cost for HIV-related medications, but HDAP would no longer provide State-purchased medications for these individuals. HDAP would continue to provide replacement medications for HDAP-enrolled individuals who have no prescription drug coverage.

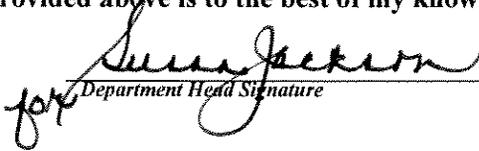
Individuals who have prescription drug coverage through Kaiser Permanente must fill prescriptions at a Kaiser Permanente pharmacy in order to receive their full prescription drug benefit. Some Kaiser members can fill prescription at other pharmacies, but receive a reduced benefit; other Kaiser members have no coverage for filling prescription outside of the Kaiser Permanente system. No other pharmacy can fill prescriptions for all HDAP-enrolled Kaiser members and receive payment from Kaiser.

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6.	Describe the efforts and results in determining that this is the sole provider who can render services. Include approximate dates: Telephone and e-mail discussions with Stacy Pi, Kaiser Permanente Pharmacist (11/4/05, 11/16/05, 4/11/06, 5/1/06, 7/6/06, 7/11/06), and Cathy Makishima, Kaiser Permanente Medicare Manager (1/31/06, 3/9/06, 3/17/06, 3/29/06, 4/11/06) to explore options for filling prescriptions for HDAP-enrolled individuals with Kaiser Permanente health insurance and options for how HDAP-enrolled clients could utilize a Kaiser Permanente prescription drug benefit and have their share of cost (co-payments) paid by the State or another third party. HDAP does not influence where individuals choose to receive medical care and HDAP must be able to enrolled eligible individuals without regard to where they receive medical care. For HDAP-eligible individuals who receive medical care through Kaiser Permanente and who have some level of coverage for prescription drugs, no provider other than Kaiser Permanente can fill prescriptions under the Kaiser Permanente drug benefit and bill HDAP for the HDAP-enrolled individual's share of cost.
7.	List state agency personnel, by position title, who will be involved in the approval process and administration of the contract: Peter Whiticar, STD/AIDS Prevention Branch Chief Timothy McCormick, Public Health Educator IV Lucy Ndirangu, HIV Drug Program Assistance Specialist Marilyn Kahanu, Clerk Stenographer II Kevin Nomura, Public Health Administrative Officer
8.	Direct questions to (name & position): Peter Whiticar, Branch Chief  Phone number: 733-9010  e-mail address: whiticar@lava.net

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

*for*   
Department Head Signature

AUG 31 2006

Date

Chiyome Leinaala Fukino, M.D.  
Typed Name

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NOTICE

Pursuant to §103F-403, Hawaii Revised Statutes and Chapter 3-144, Hawaii Administrative Rules, the aforementioned purchasing agency has submitted a request to the chief procurement officer for a restrictive purchase of service for health and human services, and if approved, intends to purchase the service without issuing a request for proposals.

Any person may file a written protest under the procedures established under Chapter 3-148, Hawaii Administrative Rules, located on the web at [www.spo.hawaii.gov](http://www.spo.hawaii.gov), click *Statutes and Rules* and *Procurement of Health and Human Services*. Protests shall be hand delivered or postmarked by United States Postal Service within seven (7) days after the date this notice is first published on the internet. If hand delivered it must be submitted by 4:30 PM, Hawaii Standard Time, within seven days after day this notice is first published. Protests must be submitted to the following procurement officer **and** head of the purchasing agency:

**Procurement Officer for this Procurement**

Peter Whiticar  
Department of Health  
CDD, STD/AIDS Prevention Br.  
3627 Kialuea Ave. #306  
Honolulu, HI 96816

**Head of Purchasing Agency**

Chiyome Leinaala Fukino, M.D.  
Director, Dept. of Health  
1250 Punchbowl St.  
Honolulu, HI 96813

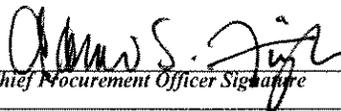
Protest forms and instructions are on the web at: [www.spo.hawaii.gov](http://www.spo.hawaii.gov), click *Health and Human Services, Chapter 103F...* and *Forms for Private Providers*. Questions should be directed to the contact person noted in item 8 of the request.

Published: SEP 15 2006

FOR CHIEF PROCUREMENT OFFICER USE ONLY

Chief Procurement Officer's Comments:

Approved  Denied

  
Chief Procurement Officer Signature

9/25/06  
Date

Please ensure adherence to applicable administrative requirements.

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FOR RESTRICTIVE PURCHASE OF SERVICE  
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Pursuant to §103F-403, Hawaii Revised Statutes and Chapter 3-144, Hawaii Administrative Rules, the Department of Health, Communicable Disease Division, has submitted a request to the chief procurement officer for a restrictive purchase of service for health and human services, and if approved, intends to purchase the service without issuing a request for proposals. (To see the request, go back to the [State and County Procurement Notices](#) page and click on *More Info.*)

Any person may file a written protest under the procedures established under Chapter 3-148, Hawaii Administrative Rules, located on the web at [www.spo.hawaii.gov](http://www.spo.hawaii.gov), click *Statutes and Rules* and *Procurement of Health and Human Services*. Protests shall be hand delivered or postmarked by United States Postal Service within seven (7) days after the date this notice is first published on the internet. If hand delivered, it must be submitted by 4:30 p.m., Hawaii Standard Time, within seven (7) days from the date this notice is first published. Protests must be submitted to the procurement officer and head of the purchasing agency as specified in the request. Protest forms and instructions are on the web at [www.spo.hawaii.gov](http://www.spo.hawaii.gov), click on *Health and Human Services, Chapter 103F...* and *Forms for Private Providers*. Questions should be directed to the contact person noted in item 8 of the request.