

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

10 MAY 17 A9:18

STATE PROCUREMENT OFFICE
 STATE OF HAWAII

To: Chief Procurement Officer

From: Department of Health/Adult Mental Health Division/Hawaii State Hospital *01*
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:

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| 1. | Title and description of health and human service(s): | |
| | Provide outpatient dialysis treatment for patient who has end stage renal disease and is now dialysis dependent. | |
| 2. | Provider Name and Address: | Bio-medical Applications of California dba FMC Ko'olau Dialysis 47-388 Hui Iwa Street Kaneohe, Hawaii 96744 |
| 3. | Total Contract Funds: Contract Funds per Year (if applicable): | \$104,000 |
| 4. | Reference number of Previous Request for this Service (if applicable): | |
| 5. | Term of Contract: | Start: upon approval End: 2 years |
| 6. | Describe how procurement by competitive means is either not practicable or not advantageous to the State: The original plan was to enroll the patient for Medicare coverage, leaving Hawaii State Hospital (HSH) liable only for the deductible co-payment of much less than \$25,000 per year. However, it was recently determined that the patient is not eligible for Medicare coverage due to long term inpatient treatment per court order, which falls outside Federal guidelines. Therefore, HSH's actual obligation will exceed the \$25,000 small purchase limit. The HSH Business Office then negotiated a favorable compensation rate based on the Medicare fee schedule for the prescribed treatment. | |
| 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: The provider was selected based on the physical proximity to HSH and the recommendation by the HSH Medical Services Department. The dialysis center was also closely associated with the patient's long-standing Medical Nephrology consultant who manages the patient's dialysis care. The provider was also willing to accept and treat our mentally ill patient at the Medicare rate. The HSH Medical Services Department had identified and recommended this qualified provider to give dialysis treatment for the patient. | |

