

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

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To: Chief Procurement Officer

STATE PROCUREMENT OFFICE  
 STATE OF HAWAII

From: 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):	<p><b>PRIMARY CARE AND BEHAVIORAL HEALTH INTEGRATION PROJECT:</b>          The DOH's Adult Mental Health Division (AMHD) seeks to implement a pilot project within two state-operated Community Mental Health Centers (Kalihi Palama CMHC and Central Oahu CMHC) to provide integrated behavioral health and primary care health services to AMHD-eligible consumers. These consumers are currently receiving behavioral health services within those CMHCs. The target population will be Severely Mentally Ill clients determined to be at high risk for five co-morbid chronic medical conditions (diabetes, obesity, high blood pressure, hyperlipidemia, and tobacco dependence).</p> <p>Integrated services will be provided within the CMHCs utilizing a collaborative team comprised of state-employed CMHC behavioral health staff and primary care staff employed by a private primary care provider. No monies will be exchanged between AMHD and the primary care provider. The DOH will provide rent-free to the private primary care provider one examination room and one physician office located within each of the two CMHCs, to include running water for a handwashing sink, electricity, phone, fax and internet utilities within those rooms to be used only for the services included in this pilot for the duration of the project. AMHD will not reimburse its primary care partner for any services provided within the CMHCs. Instead, the primary care provider will be expected to financially sustain their services through direct billing of the primary care services to the enrollees' applicable health insurance plans or the use of other funding sources obtained by that agency.</p>
2.	Provider Name and Address:	Kalihi Palama Health Center (KPHC) 915 N. King St. Honolulu, HI 96817
3.	Total Contract Funds:	\$0
	Contract Funds per Year (if applicable):	\$0
4.	Reference number of Previous Request for this Service (if applicable):	
5.	Term of Contract:	Start: 06/01/13 End: 05/31/14

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6. Describe how procurement by competitive means is either not practicable or not advantageous to the State:  
As described in item 7, it would not be advantageous to the State to competitively procure this service since the only provider in the catchment area that meets the criteria set forth is the Kalihi Palama Health Center. Close proximity to the client base being served is essential since they do not have means to travel to other areas on the island for routine care that would be required but not offered at the CMHC setting.

Currently CMHC consumers are not seeking out primary care services on a routine basis so this pilot will bring primary care services to these most needy clients. By choosing KPHC as the provider, the services not provided within the CMHC clinic will be within the geographic area and easily accessible by this CMHC population that is much less mobile than the general population.

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 DOH reviewed the demographics and geographic catchment areas of the two pilot CMHCs, the range and complexity of services to be provided, the number and type of primary care staff that would be required to implement the "health home" model, AMHD's contracted provider standards/qualifications, the timeframe for the pilot project, and the health insurance status of the CMHCs' consumers in order to develop a list of provider qualifications to participate in the project. The DOH determined that the primary care provider for the pilot needed to be a very large group primary care practice or clinic with its own pharmacy and one or more clinic sites conveniently located within the geographic catchment area of the two pilot CMHCs; must be experienced in providing culturally adapted primary care and chronic condition services to the racial/ethnic and socio-economic population served by the two CMHCs, including the provision of translation and interpreter services; must have national accreditation as an outpatient health care organization by an AMHD-accepted accreditation body, which is an AMHD requirement for all contracted service providers; must be using a meaningful use-certified electronic health record system with proven capability for e-prescribing, electronic ordering and receipt of lab test results and sharing of health data with external organizations, which is an Affordable Care Act (ACA)-required element of Patient Centered Medical Home (PCMH) and health homes; must have already adopted the PCMH and chronic care models within their organization; must serve the uninsured and accept the range of insurance types held by the two CMHC consumer populations; and must be able to sustain the services for the duration of the project with no monetary reimbursement from DOH.

The DOH determined that a private non-profit Federally Qualified Health Center (FQHC) was the only type of provider that would meet all of the provider requirements. The DOH then contacted the Hawaii Primary Care Association (HPCA) to determine which specific FQHCs met the above requirements. Kalihi Palama Health Center (KPHC) was the only FQHC to meet all of the provider requirements.

At DOH's request, Hawaii Primary Care Association (HPCA) ran the Uniform Data System mapping software and determined that two FQHCS operate primarily in the two CMHCs' catchment areas. They are Kalihi Kokua Valley Health Center (KKV) and Kalihi Palama Health Center (KPHC). However, KPHC serves the entire catchment area whereas KKV serves only a very defined section of the catchment area. Additionally, KPHC is nationally accredited; KKV is not accredited. Given the timeframe and length of the pilot, it would not be possible for KKV to become accredited before the end of the pilot as the accreditation process takes a minimum of 18 months from initial preparation to accreditation. KPHC offers pharmacy and vision services within the KP CMHC and Central Oahu catchment area: KKV does not offer pharmacy or vision services at all. There are 4 FQHCs currently implementing the PCMH model (KPHC, Waimanalo, Waianae and West Hawaii). All but KPHC are too distant from KP CMHC and Central Oahu CMHC to be viable primary care providers for this pilot. The only other large primary care provider located in the specified geographic area that meets at least some of the requisite qualifications is Kaiser Permanente. However, Kaiser only accept patients with Kaiser health insurance. AMHD CMHC consumers do not have Kaiser insurance; therefore, they are not eligible to receive primary care services from Kaiser.

