

STATE OF HAWAII

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

STATE PROCUREMENT OFFICE
STATE OF HAWAII

To: Chief Procurement Officer

From: Department of Human Services/Med-QUEST 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>The QUEST Expanded Access (QExA) program includes participation by qualified and properly licensed health plans to provide service coordination, outreach, improved access, and enhanced quality healthcare services through a managed care system for the State's Medicaid aged, blind or disabled (ABD) members. These healthcare services are provided in a managed care environment with reimbursement to qualified health plans based on fully capitated rates for each island. Healthcare services include primary and acute care (i.e., physician, laboratory, therapy, inpatient hospitalization), behavioral health (i.e., psychiatric evaluation, medication management, acute psychiatric hospitalization), and long-term care (i.e., nursing home and home and community based services such as personal care, adult day care, and community care foster family homes).</p> <p>All QExA members receive a face-to-face health and functional assessment (HFA) at least annually to determine their medical, behavioral health, and long-term care needs. The QExA health plan is responsible for assuring that all medically necessary healthcare services are provided in a timely manner.</p>	
2. Provider Name and Address:	<p>WellCare Health Insurance of Arizona, Inc., dba 'Ohana Health Plan, Inc. 8735 Henderson Road Tampa, FL 33634</p> <p>and</p> <p>UnitedHealthcare Insurance Company, dba UnitedHealthcare Community Plan 9900 Bren Road, East Minnentonka, MN 55343</p>
3. Total Contract Funds:	\$370,200,000
Contract Funds per Year (if applicable):	(Ohana=\$196,800,000 UHC =\$173,400,000)
4. Reference number of Previous Request for this Service (if applicable):	
5. Term of Contract:	Start: 7/1/2014 End: 12/31/14

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6. Describe how procurement by competitive means is either not practicable or not advantageous to the State:
 The Department of Human Services (DHS), Med-QUEST Division (MQD) has started procurement for the services provided to the QUEST Expanded Access (QExA) population. This procurement is called QUEST Integration (QI). Contract award is anticipated for January 2014. However, due to the complicated nature of the services provided to the QI population, the commencement of services to QI members is not until January 1, 2015.

Upon contract execution, the DHS/MQD will start performing readiness review on all health plans awarded a QI contract. Readiness review includes review/approval of approximately 1,000 files from each QI health plan to assure consistent with contract requirements. In addition, the DHS/MQD will assure that each health plan has a provider network that meets contractual requirements for provision of services (primary and acute care, behavioral health, and long-term services and supports). DHS/MQD will perform at least one (1) on-site review of the health plan prior to commencement of services to members to assure they have all processes and systems in place to meet contract requirements.

The QI program includes a continuum of services from primary and acute care to long-term services and supports (LTSS). The LTSS include services provided in the QI members home and/or community. Provision and oversight of these services requires intensive changes in processes for any health plan that did not participate in the QExA contract.

The time required to assure that all health plans awarded contracts for QI (i.e., readiness review) is approximately one(1) year. Therefore, though contracts will be awarded in January 2014, commencement of services to members will not start until January 1, 2015. This timeframe is developed based upon previous experience (both in Hawaii and in other States).

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:
 Both of these providers have been providing services to the QExA population since February 1, 2009. This procurement was identified as open and fair procurement in 2008 when it was awarded. Contracts awarded under RFP-MQD-2008-006..

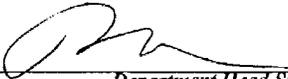
8. Describe the state agency's internal controls and approval requirements for the exempted procurement:
 The DHS Med-QUEST Division Health Care Services Branch (HCSB) and the Division's Finance Office (FO) will follow all contract terms established under RFP-MQD-2008-006. The Department will monitor the extended contract to ensure that all requirements are met.

9. List the state agency personnel, by position title, who will be involved in the approval process and administration of the contract:
 Patricia Bazin, Health Care Services Administrator
 Dona Jean Watanabe, Health Care Contracts and Purchasing Spec.

10. Direct questions to (name & position):	Patricia Bazin
Phone number:	692-8083
e-mail address:	pbazin@medicaid.dhs.state.hi.us

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



Department Head Signature

8/26/13

Date

Patricia McManaman

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: Aaron Fujioka, 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. Service provider(s) are required to be compliant with applicable laws, and verified on the Hawaii Compliance Express. 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

9/5/2013

Date

Please ensure adherence to applicable administrative requirements.