

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

ADMINISTRATION
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): Premium Assistance Program (PAP)	
<p>The Department of Human Services (DHS) seeks to contract with commercial health insurers in order to assist with payment of premiums for certain low-income individuals who are ineligible for Medicaid. Under the Affordable Care Act (ACA), legally residing individuals who are ineligible for Medicaid are eligible for advance premium tax credits and cost-share reduction (APTC/CSR) to assist with the purchasing of a health insurance policy through a health insurance exchange. This program would pay the individual's share of the premium for low-income individuals who enroll in qualified health plan and receive APTC/CSR.</p>	
2. Provider Name and Address:	<p>HMSA P.O. Box 860 Honolulu, HI 96808</p> <p>Kaiser P.O. Box 29080 Honolulu, HI 96820-1480</p>
3. Total Contract Funds:	\$15,000,000
Contract Funds per Year (if applicable):	\$3,000,000
4. Reference number of Previous Request for this Service (if applicable):	
5. Term of Contract:	Start: 09/01/14
	End: 6/30/19

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6.	<p>Describe how procurement by competitive means is either not practicable or not advantageous to the State: APTC/CSR is available only through the health insurance exchange for purchase of individual policies. There are only two health insurers offering individual policies through Hawaii's health insurance exchange. Since contracts will be offered to all insurers that offer a qualified health plan for individuals on Hawaii's health insurance exchange, there is no advantage to competitive procurement.</p>						
7.	<p>Describe the reason for the selection of the provider including a description of how the procedure ensured the maximum fair and open competition practicable: There are only two insurers offering individual health insurance policies through Hawaii's health insurance exchange. DHS is proposing to offer contracts to both of them, and any other insurer that offers a qualified health plan for individuals through Hawaii's health insurance exchange.</p>						
8.	<p>Describe the state agency's internal controls and approval requirements for the exempted procurement: Although DHS already had contracts with HMSA and Kaiser for QUEST and QUEST Integration, this will be a separate contract for a separate program. DHS will create a new contract with approval by the office of the Attorney General. The health plans must agree to the terms of the contract.</p>						
9.	<p>List the state agency personnel, by position title, who will be involved in the approval process and administration of the contract: Kenneth Fink, Med-QUEST Division Administrator Patricia M. Bazin, HCSB Administrator</p>						
10.	<table style="width: 100%; border: none;"><tr><td style="width: 45%; padding: 2px;">Direct questions to (name & position):</td><td style="padding: 2px;">Kenneth Fink, Med-QUEST Division Administrator</td></tr><tr><td style="padding: 2px;">Phone number:</td><td style="padding: 2px;">692-8050</td></tr><tr><td style="padding: 2px;">e-mail address:</td><td style="padding: 2px;">kfink@medicaid.dhs.state.hi.us</td></tr></table>	Direct questions to (name & position):	Kenneth Fink, Med-QUEST Division Administrator	Phone number:	692-8050	e-mail address:	kfink@medicaid.dhs.state.hi.us
Direct questions to (name & position):	Kenneth Fink, Med-QUEST Division Administrator						
Phone number:	692-8050						
e-mail address:	kfink@medicaid.dhs.state.hi.us						

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



Department Head Signature

Patricia McManaman

Typed Name


Date

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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. Service providers are 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

7/21/14

Date

Please ensure adherence to applicable administrative requirements.