



'11 FEB -3 P2:05
 STATE PROCUREMENT OFFICE
NOTICE & REQUEST FOR SOLE SOURCE
 STATE PROCUREMENT OFFICE
 STATE OF HAWAII

- 1. TO: Chief Procurement Officer
- 2. FROM: DCCA/Insurance
 Department/Division/Agency

Pursuant to HRS §103D-306 and HAR Chapter 3-122, Subchapter 9, the Department requests sole source approval to purchase the following:

3. Description of goods, services, or construction:
 The Federal Patient Protection and Affordable Care Act of 2010 ("PPACA") requires each state to reach a minimum level of competency in its review of health insurance premium rate applications that are submitted by health insurers. PPACA also requires the state provide quarterly reports to federal agencies regarding rate filings. In order for the state to meet its requirements, the National Association of Insurance Commissioners ("NAIC") is proposing to modify their System for Electronic Rate and Form Filing ("SERFF") already used by the state for non-health insurance rate and form filings. Specifically, the NAIC will modify SERFF to address data collection and reporting requirements for Health insurers, incorporating the submission of a federally mandated Rate Filing Disclosure Form and Justification, providing additional SERFF training to the Insurance Division staff, and support the ability to satisfy reporting requirements of the uniform template for data reporting.

| | |
|--|------------------------------|
| 4. Vendor Name: National Assoc. of Insurance Commissioners Address: 444 N. Capitol Street, NW, Suite 701 Washington, DC 20001-1509 | 5. Price: <u>\$18,808</u> |
|--|------------------------------|

| | |
|--|------------------------------------|
| 6. Term of Contract: (mm/dd/yyyy) From: <u>02/01/2011</u> <i>upon CPD approval</i> To: <u>12/31/2011</u> <i>KT Keep same date per Jerry Bump</i> | 7. Prior Sole Source Ref No. _____ |
|--|------------------------------------|

8. Feature: The good, service, or construction has the following unique features, characteristics, or capabilities: SERFF is already in use by many states, including Hawaii. The modification to SERFF will provide Health insurers with an ability to file their forms and rates electronically, a process currently done in Hawaii on a manual basis. The NAIC has professionals dedicated to maintaining and keeping SERFF current. SERFF's rate filing feature is setup to prompt insurers at the time they are intially preparing a filing to include information required by the PPACA. This reduces the additional work a state analyst would have to do, such as developing a system to record PPACA information.

9. Essential features. How the unique features, characteristics, or capabilities are essential for the agency to accomplish its work: Having the NAIC modify SERFF, a system already used by the Insurance Division and other states, will allow the NAIC to leverage its existing system structure to ensure compliance with the federal reporting requirements.

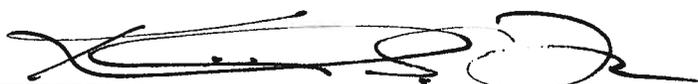
11. Alternate source. The following other possible sources for the good, service, or construction were investigated but do not meet our needs because: Other possible sources would be to hire a program developer to create a new in-house system to receive and compile the data electronically and then transmit that data in a format compatible with the federal Health Insurance Oversight System. The Insurance Division's does not desire to build from scratch a new system and to train staff appropriately. Additionally, it appears to be cost effective to utilize a system already in use by the state and which modification costs will be shared among all other participating states.

| | |
|--|--|
| <p>12. Direct any inquiries to: Department: <u>DCCA/Insurance Division</u> Contact Name/Title: <u>Jerry Bump, Insurance Program Specialist</u></p> | <p>13 Phone Number: <u>586-0985</u> Fax Number: <u>586-2806</u></p> |
|--|--|

Expenditure may be processed with a purchase order/pCard: Yes No
 If no, a contract must be executed and funds certified.

Agency shall ensure adherence to applicable administrative and statutory requirements, including HAR Chapter 3-122, Subchapter 15, Cost or Pricing Data, if required.

14 I certify that the information provided above is to the best of my knowledge, true, correct and that the goods, services, or construction are available through only one source.


 Department Head Signature


 Date

Reserved for CPO Use Only

15 Date Notice Posted: 2/9/11

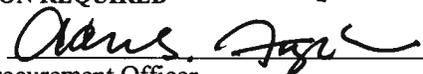
Submit written objections to this notice to issue a sole source contract within seven calendar days or as otherwise allowed from the above posted date to:

Chief Procurement Officer
 State Procurement Office
 P.O. Box 119
 Honolulu, Hawaii 96810-0119

16. Chief Procurement Officer's comments:

Approval is granted based on the department's representation that service can only be obtained from NAIC, the creator of SERFF. Approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply. This award is required to be posted on the Awards Reporting System.

17. APPROVED DISAPPROVED NO ACTION REQUIRED


 Chief Procurement Officer

4/13/2011
 Date