

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

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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):	
	To provide medical and behavioral health services to eligible low-income residents who are covered under the QUEST program. These recipients receive their medical and behavioral health care services through qualified and properly licensed health plans. These health plans were awarded contracts through a competitive procurement process.	
2.	Provider Name and Address:	Kaiser Foundation Health Plan 711 Kapiolani Boulevard Honolulu, Hawaii 96813
3.	Total Contract Funds:  Contract Funds per Year (if applicable):	\$35,200,000
4.	Reference number of Previous Request for this Service (if applicable):	PEH NO. 06-44
5.	Term of Contract:	Start: 1/1/07  End: 3/31/07
6.	Describe how procurement by competitive means is either not practicable or not advantageous to the State: Hawaii QUEST managed care health plans currently service over 165,000 members through three health plans under contracts that will expire on December 31, 2006. DHS needs to extend those contracts to March 31, 2007, pending completion of a new procurement for QUEST managed care services that is expected to commence services to members on April 1, 2007.  A new Request for Proposal (RFP) was issued on June 17, 2006, contracts were awarded on November 8, 2006, and commencement of services to members will begin on April 1, 2007.  It is not practicable or advantageous to the State to reprocur the managed care health services for the period between expiration of the contracts on December 31, 2006, and the anticipated commencement of services under the new contracts on April 1, 2007. Extending the current contracts to March 31, 2007 would be most efficient and cost-effective for the State and maintain continuity of care for the current QUEST population. This will allow sufficient time for the new health plan contracts to be negotiated and executed. Extension of the existing health plan contracts will ensure that there is no disruption of the State's compliance with Title XIX of the Social Security Act.	
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:  Currently, the DHS has three health plans servicing the QUEST population. The DHS is concerned about the continuity of care to the QUEST population, therefore all three of the current health plans will be selected to continue service through March 31, 2007 by way of supplements to their current contracts.	

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8. Describe the state agency's internal controls and approval requirements for the exempted procurement: The DHS Med-QUEST Division Health Coverage Management Branch (HCMB) and the MQD's Finance Office will follow all normal procurement processes. We will monitor the extended contract with the health plans and 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: Lillian Koller, Director of the Department of Human Services Wesley Mun, MQD Acting Administrator Leslie Tawata, HCMB Acting Administrator Dona Jean Watanabe, Health Care Contracts & Purch Specialist, Lee-Ann Brewer-Deputy AG	
10. Direct questions to (name & position):	Dona Jean Watanabe, H/C Contracts & Purch.Spec.
Phone number:	692-7973
e-mail address:	dwatanabe@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*

DEC 04 2006  
\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Typed Name*

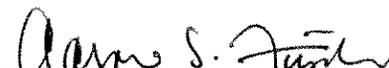
**NOTICE**

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:

APPROVED     DISAPPROVED     NO ACTION

  
\_\_\_\_\_  
*Chief Procurement Officer Signature*

12/13/06  
\_\_\_\_\_  
*Date*

Please ensure adherence to applicable administrative requirements.