

STATE OF HAWAII
 NOTICE OF AND REQUEST FOR EXEMPTION 306 DEC -5 A9:09
 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):	
	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:	AlohaCare, Inc. 1357 Kapiolani Blvd., Ste 1250 Honolulu, Hawaii 96814
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.	

