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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

ADMINISTRATION
STATE PROCUREMENT OFFICE
STATE OF HAWAII

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 recipients 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, Inc. 711 Kapiolani Blvd. Honolulu, Hawaii 96813
3. Total Contract Funds:	\$11,733,333
Contract Funds per Year (if applicable):	
4. Reference number of Previous Request for this Service (if applicable):	PEH No. 07-31
5. Term of Contract:	Start: 07/01/07 End: 7/31/07
6. Describe how procurement by competitive means is either not practicable or not advantageous to the State:	<p>Hawaii QUEST managed care health plans currently serve approximately 165,000 members statewide through three health plans under contracts that will expire on June 30, 2007. DHS is requesting the extension of these contracts through July 31, 2007.</p> <p>An extension to June 30, 2007 was previously granted to the current contracts as new contracts effected through a competitive bid process were to be effective July 1, 2007. The award of new contracts for the period resulted in changes in the availability of three incumbent plans and a new fourth plan. To begin the new contracts, the Department has instituted, for the first time, a "transition of care process". To facilitate that members going into a different plan than the one they are now in will receive appropriate and uninterrupted care, data files and information relevant to the member are being provided to the "receiving" plan. To ensure that the necessary information can be transferred and to allow sufficient time for administrative and outreach efforts for the members' benefit, by the plans, additional time is needed. The Department met with all plans and came to an agreement of an extension through July 31, 2007 of the current contract terms so that services under the recently solicited procurement will begin August 1, 2007.</p> <p>It would not be practicable or advantageous to the State to procure the essential medical services for just the period of July 1, 2007 through July 31, 2007. Extending the current contracts through July 31, 2007 would be the most efficient process for the State and will ensure the delivery of needed health services to the QUEST members. To reprocure for this interim period would be extremely disruptive to the delivery of services.</p>

