

*08 APR 23 19:44

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

ADMINISTRATION
GENERAL OFFICE
HONOLULU, HAWAII

To: Chief Procurement Officer

From: Department of Human Services/Med-QUEST Division (MQD)

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):	
The contractor provides behavioral health services for Medicaid eligible adults who are seriously mentally ill (SMI). Comprehensive behavioral health services up to the benefit limits are provided statewide. Services include hospital services, outpatient services, 24/7 emergency/crisis services, mental health rehabilitation services, behavioral health healthcare specialist services, day treatment, case management, pharmacy services, lab services, substance abuse services, etc.	
2. Provider Name and Address:	Hawaii Medical Service Association P.O. Box 860 Honolulu, Hawaii 96808
3. Total Contract Funds:	\$12,611,232
Contract Funds per Year (if applicable):	
4. Reference number of Previous Request for this Service (if applicable):	08-043-J
5. Term of Contract:	Start: 1/1/08 End: 12/31/08

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

6.	<p>Describe how procurement by competitive means is either not practicable or not advantageous to the State:</p> <p>RFP-MQD-2208-005 was issued on June 30, 2007 to procure competitive sealed proposals to provide Behavioral Health Services for Medicaid Eligible Adults who are Seriously Mentally Ill. This RFP closed on August 16, 2007 and one proposal was received. This one proposal lacked in one deliverable and MQD has been working with this one bidder to meet the requirement. Although the contract with the new provider is near completion, MQD has been notified that additional time is needed for the new provider to begin services. A new start date of January 1, 2009 has been requested. The current contractor has been notified and is willing to extend its current contract to meet this extended implementation date.</p> <p>These services are required to provide behavioral health services to Hawaii's seriously mentally ill population of approximately 850 individuals statewide. Due to this speciality of these services, the current provider network is limited and somewhat fragile. Any interruption or glitch of services to this clientele group will cause serious harm to their safety and the on-going treatments. The current contractor and the "new" contractor are familiar with each other and have partnered in the past to provide these critical services. Due to legal and corporate regulations, the new provider must enter into separate, new contracts on their own, rather than "sub-lease" services from the current provider through their existing contracts. This issue was recently uncovered and has caused a major delay in the new contractor's readiness to begin services. The MQD will participate in weekly implementation meetings to monitor the progress of the new contractor's readiness. The new contractor is committed to be ready on or before January 1, 2009. Due to the sole proposal received in the recent RFP, it is unlikely that any other bidder would step forward in response to a new RFP. Behavioral Health services in the state and nation are severely limited due to shortages of providers. We believe it is in the state's best interest to extend the current contractor for an additional eight months to ensure a stable transition of services to this highly vulnerable and fragile group of individuals.</p> <p>A Request for Extension of Time on Contracts was mistakenly requested and approved on December 24, 2007 (08-043-J) to extend this contract for the period January 1, 2008 to April 30, 2008. This exemption request will correct this incorrect form and process (for 103D contracts) and provide the proper 103F contract extension that this health and human services contract requires.</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:</p> <p>The selection of the provider will continue to be the incumbent who is currently providing services to the SMI members. This ensures that there is no break in service or any undue interruption of care for the members. The "new" SMI provider will be ready for implementation on January 1, 2009 and has also agreed to the extension of the current contractor through December 31, 2008.</p>						
8.	<p>Describe the state agency's internal controls and approval requirements for the exempted procurement:</p> <p>The DHS Med-QUEST Division Health Coverage Management Branch (HCMB) and the Division's Finance Office (FO) will follow all normal procurement processes. The Department will monitor the extended contract to ensure that all requirements are met.</p>						
9.	<p>List the state agency personnel, by position title, who will be involved in the approval process and administration of the contract:</p> <p>Lillian Koller, Director Cori Woo, Deputy Attorney General Sherry Balistreri, Contracts Specialist, HCMB Ann Kinningham, Finance Officer Dona Jean Watanabe, Health Care Contract Specl, FO</p>						
10.	<table style="width: 100%; border: none;"> <tr> <td style="width: 45%;">Direct questions to (name & position):</td> <td>Ann Kinningham</td> </tr> <tr> <td>Phone number:</td> <td>692-7956</td> </tr> <tr> <td>e-mail address:</td> <td>akingningham@medicaid.dhs.state.hi.us</td> </tr> </table>	Direct questions to (name & position):	Ann Kinningham	Phone number:	692-7956	e-mail address:	akingningham@medicaid.dhs.state.hi.us
Direct questions to (name & position):	Ann Kinningham						
Phone number:	692-7956						
e-mail address:	akingningham@medicaid.dhs.state.hi.us						

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

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

 04/21/08
Department Head Signature *Date*
Lillian B. Koller
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

 5/6/08
Chief Procurement Officer Signature *Date*

Please ensure adherence to applicable administrative requirements.