

STATE OF HAWAII

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

STATE PROCUREMENT OFFICE
STATE OF HAWAII
Chief Procurement Officer

From: Director of Health
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):	<p>This contract is for the provision of operating funds for comprehensive medical health care services on the island of Molokai which includes inpatient, outpatient, emergency room, and ancillary services. The island of Molokai has some of the poorest health and socio-economic indicators in the state according to the latest Primary Care Needs Assessment Data Book published by the Department of Health, Family Health Services Division. Many residents are uninsured or underinsured and cannot pay for the hospital care they receive. The island of Molokai also has a high Native Hawaiian population for whom the mortality rate associated with certain diseases far exceeds that of other United States populations. Molokai is somewhat isolated in the sense that there are only two medical facilities (a hospital and a community health center) located on the island.</p>	
2. Provider Name and Address:	<p>Molokai General Hospital P.O. Box 408 Kaunakakai, HI 96748</p>	
3. Total Contract Funds:	<p>\$7,618,332</p>	
Contract Funds per Year (if applicable):	<p>\$1,904,583</p>	
4. Reference number of Previous Request for this Service (if applicable):	<p></p>	
5. Term of Contract:	<p>Start: 7/01/12 End: 06/30/16</p>	
6. Describe how procurement by competitive means is either not practicable or not advantageous to the State:	<p>The 2006 legislature appropriated \$500,000 under Act 160/2006 SLH, and \$1,500,000 under Act 213/2007 SLH to provide comprehensive medical and health care services for the Molokai community. The legislative intent in reference to these appropriations was to use the funds for operating costs related to hospital services (in-patient, out-patient, emergency, and ancillary services) on the island of Molokai due to uncompensated care.</p> <p>On September 1, 2006, the Department of Health ("DOH") issued RFP No. HTH 595-07-02 in response to the \$500,000 that was appropriated under Act 160. Further, on June 15, 2007 the DOH issued RFP No. HTH 560-08-002 in response to the \$1,500,000 that was appropriated under Act 213. In both instances, the only applicant was Molokai General Hospital. Given this historic perspective, one can conclude that it would not be practicable for any other organization to provide limited hospital services on an island that already has a community-based hospital. Therefore, it would not be practicable or advantageous for the State to procure these services on a competitive basis.</p>	
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:	<p>As described in Item 6 above, two RFPs were previously issued for the services and the only applicant was Molokai General Hospital. Given this historic perspective, one can conclude that it would not be practicable for any other organization to provide limited hospital services on an island that already has a community-based hospital.</p>	

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