

**HAWAII HEALTH SYSTEMS CORPORATION
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS**

EX Number: EX-011

1. TO: Chief Procurement Officer

2. FROM: Christine Asato, Director of Meaningful Use & IT Budgetary Controls

Department/Division/Agency Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction: HHSC requires a secure electronic network in order to satisfy Meaningful Use (MU) objectives of its electronic health records (EHR) implementation such that its providers and patients are able to securely store, view, download, or transmit Protected Health Information (PHI).

4. Name and Address of Vendor: Hawaii Health Information Exchange
900 Fort Street Mail, Suite 1305
Honolulu, Hawaii 96813

5. Price: \$550,000.00

6. Term of Contract: From: Date of Execution To: Three Year Term

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:

Hawaii Health Information Exchange (HHIE) is a non-profit organization made up of representatives from major health care stakeholder organizations and the State of Hawaii and has been designated by the Hawaii State legislature as the sole statewide Health Information Exchange. The HHIE transport interface will enable HHSC to efficiently and securely send Shared Clinical Data, or other Patient Health Information (PHI) to HHIE or to share such information securely through the HHIE system. This secure transport interface will result in data encryption to protect confidentiality during transmission or within a secured Virtual Private Network (VPN). University of Hawaii pharmacy program Department of Health, and other participating Hawaii hospitals process data through HHIE.

HHIE shall provide the resources needed (HIE System hardware and software, a secure internet entry portal and procedures for secure transmission of PHI in conformity with HIPAA). The proposed three year Data Sharing Agreement includes funding for annual subscription fees (data exchange for HHSC facilities are to be phased in as they meet MU Stage 2 eligibility), consulting fees, including a set aside for intra-state travel expense reimbursement, one-time set up fees (e.g., for secure messaging, and interface builds) and reoccurring maintenance charges.

For the reasons cited above procurement by competitive means is neither practicable nor advantageous to the State in this instance.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: Due to the reasons outlined in #8 above, direct negotiations with Hawaii Health Information Exchange to secure a provider portal needed to meet existing and future meaningful use requirements and functional requirements of an electronic health record system.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

The exemption request is reviewed by HHSC corporate director of contracts management and then forwarded to the HHSC senior management for additional review in accordance with HHSC policies and procedures. The President and CEO of HHSC (or delegated CPO) approves the exemption requests covering more than one facility and in accordance with internal procurement policies and procedures. HHSC policies and procedures will be followed and periodic reviews of the contract action will be performed.

11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:

Name	Position	Involvement in Process	
Jeff Eilers	Chief Information Officer	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Christine Asato	Director of MU & IT Budgetary Controls	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Edward N. Chu	HHSC CFO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct Inquiries to:

Contact Name: Andrew Alvarez
Phone Number: 808.442.5212

13.

Agency shall ensure adherence to applicable administrative and statutory requirements
I certify that the information provided above is, to the best of my knowledge, true and correct.


Department Head (Print: _____)

7/12/14
Date

14 .Date Notice Posted: 8/13/14

The CPO is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven (7) calendar days or as otherwise allowed from the above posted date to: Chief Procurement Officer, HHSC, 3675 Kilauea Ave., Honolulu, Hawaii 96816

Chief Procurement Officer's comments:

15. APPROVED

DISAPPROVED:

NO ACTION REQUIRED


HHSC Chief Procurement Officer - Signature

8/22/14
Date