

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

EX-059

1. TO: Chief Procurement Officer

2. FROM: Christine Asato/Trudi Tobin

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: The First DataBank's (FDB) interoperability module is a product first needed for Meaningful Use (MU) attestation in 2014 and is expected to be needed for the foreseeable future. FDB's Interoperability Module provides cross references between MedKnowledge vocabulary concepts and Federal Medication Terminologies including the National Library of Medicine (NLM) RxNorm Vocabulary and the Centers for Disease Control and Prevention immunization code sets, which are integrated with Cerner's Soarian, and includes components that the Soarian software will need to utilize.

4. Name and Address of Vendor: First Databank, Inc.
500 East 96th Street, Suite 500
Indianapolis, IN 46240

5. Price: \$100,000

6. Term of Contract: From: October 31, 2016 To: October 30, 2019

7. Prior Exemption Ref. No.: EX14-006

8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:
There are only two vendors who could potentially provide the services HHSC requires for Meaningful Use attestation, FDB and Medspan. However, FDB is the only vendor that is currently integrated with Cerner's Soarian, the HHSC Electronic Medical Record (EMR) system.

Bringing in another vendor that is not integrated with the HHSC EMR system would increase the cost to the State significantly due to interface development, costs that would be incurred by HHSC, Cerner and the 3rd party and potentially put meeting HHSC MU dollars at risk, which for calendar year 2016 alone is estimated at \$1.071M in incentive payments and another \$1.006M in penalty adjustments. Additionally, FDB has teamed up with CMS to provide codification for Medicare Part D drugs, which enhanced codification and interoperability in addition to meeting codification requirement for programs like MU.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: HHSC will contract with the only vendor that is currently integrated with Cerner Soarian to ensure compliance with ongoing meaningful use compliance requirements and deadlines.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
This exemption shall be from HRS, Section 103D-303 and all other guidelines, rules and policies under chapter 103D shall be upheld. HHSC policies and procedures will be followed and periodic reviews of 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	
Joe Evanoff	Director Contracts/Materials Management	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Andrew Alvarez	Contract Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Jeff Eilers	HHSC CIO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Edward N. Chu	HHSC CFO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Christine Asato	Director of Meaningful Use & IT Budgetary Controls	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Trudi Tobin	Director Ancillary Operations	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration

12. Direct inquiries to:

Contact Name: Andrew Alvarez
Phone Number: (808) 873-3053

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

Department Head Jeff Eilers

Date

SEP 28 2016

Reserved for CPO/Delegee Use Only

14. Date Notice Posted: 9/29/16

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:

Critical for compliance with laws and regulations.

15. APPROVED

DISAPPROVED:

NO ACTION REQUIRED

Edward M. O.
HHSC Chief Procurement Officer - Signature

10/6/16
Date