

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

**EX -137**

<b>1. TO:</b>	Chief Procurement Officer		
<b>2. FROM:</b>	Marie Tesoro, Information Systems Analyst V		
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:			
<b>3. Description of goods, services or construction:</b> Conduent Care Management, formerly known as Midas+, provides HHSC with software & related maintenance services. The Conduent products that HHSC current utilizes include: 1) "Seeker", which provides for physician credentialing, and, 2) "Care Management", which provides clinical decision support including preparation & submission of CMS mandated Core Measure data and the Hospital Based Inpatient Psychiatric Service Measure Set, utilized by Kona Community Hospital; and includes "Risk Management", which provides for the reporting of risk events and the subsequent document follow up to those events; and "Utilization Review", which is used by Case Management and Utilization Review staff to evaluate the appropriateness of the placement of a patient in the acute care setting integrating with Change Healthcare's Cerme product which utilizes the Interqual Criteria. In 2020, Change Healthcare's Cerme Interqual Criteria will be migrating from Cerme to MRS Core. Both contain the Interqual Criteria but in different formats; Cerme currently is housed on the HHSC Server, whereas MRS Core shall be a web hosted application.			
<b>4. Name and Address of Vendor:</b>		<b>5. Price:</b>	
Conduent Care Management, Inc. 4801 E. Broadway, Suite 335, Tucson, AZ 85711		\$750,000	
<b>6. Term of Contract:</b>		<b>7. Prior Exemption Ref. No.</b>	
From: 1/1/2020 To: 12/31/2023		None EX-038	
<b>8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:</b> Since 2004, first Midas+, then its replacement, Conduent Inc., has provided HHSC with mission critical software & related maintenance services. Over the intervening fifteen years, the HHSC facilities using the Conduent products have invested in developing policy, process and training to ensure the products continue to meet the care provider needs of many aspects of care, as well as providing federally required reporting. Midas Quality Management module collects and validates data for CMS required Core Measure Reporting, and Midas CPMS is the licensed submitter to CMS and QNET for HHSC. Pay for performance incentives from HMSA requires HHSC to submit data to Premier electronically. Conduent Care Management data collection and reporting is the data source that is submitted to Premier, CMS, and QNET. All of these processes represent a large amount of time and expense to implement, train, refine – replacing these tools would be a significant negative impact to facility staff, IT staff and reporting agencies. For the reasons cited above, procurement by competitive means at this time is neither practical nor advantageous to the State.			
<b>9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:</b> Conduent has notified HHSC that it plans to discontinue its Seeker product maintenance and support effective December 31, 2021. In anticipation of this, HHSC recently completed a solicitation to competitively select a replacement for the Seeker product and HHSC plans to migrate to the Seeker replacement vendor during calendar year, 2020. At this time, however, direct negotiation and a re-contracting with Conduent shall be completed, without a formal solicitation to be issued beyond the aforementioned Seeker replacement solicitation that has just been completed.			
<b>10. A description of the agency's internal controls and approval requirements for the exempted procurement:</b> The exemption request is reviewed by HHSC senior management in accordance with HHSC policies and procedures. The President and CEO of HHSC (or her delegated CPO) approves the exemption requests covering more than once 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.			
<b>11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:</b>			
<b>Name</b>	<b>Position</b>	<b>Involvement in Process</b>	
Marie Tesoro	System Analyst V	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Renee Lai	Chief Information Officer	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Edward N. Chu	Corp. Chief Financial Officer	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to:

Contact Name: Andrew Alvarez  
Phone Number: 808.873-3053

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.*

Oct 30, 2019

Department Head (Print: Renee Lai)

Date

Reserved for CPO/Designee Use Only

**14 .Date Notice Posted:** \_\_\_\_\_

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

\_\_\_\_\_  
HHSC Chief Procurement Officer - *Signature*

\_\_\_\_\_  
Date

DISAPPROVED:

NO ACTION REQUIRED