

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

EX 165

1. TO: Chief Procurement Officer Edward N. Chu

2. FROM: Nancy Delima

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:

In 2011, by RFP No. HHSC FY11-0086, HHSC commenced development and implementation of an electronic health record (EHR) system. The multi-million dollar contract was awarded to Siemens Medical Services, who subsequently sold its EHR assets to Cerner Health Services (CHS). The EHR project was completed successfully in the Maui, West Hawaii (WH), and Kauai Regions. Thereafter, the operation and management of the Maui Region facilities was transferred on July 1, 2017 pursuant to Act 103 to Maui Health Systems, A Kaiser Foundation Hospitals LLC. In 2020, the Kauai Region moved its EHR to a different CHS product more suited to critical access hospitals. The WH Region remains the only HHSC Region that continues to use the CHS Soarian EHR.

4. NAME AND ADDRESS OF VENDOR: Various

5. PRICE:

Estimate only - up to \$1,000,000

6. TERM OF CONTRACT: FROM: 10/1/21 TO: 12/23/23

7. PRIOR EXEMPTION REF. NO.

8. EXPLANATION DESCRIBING HOW PROCUREMENT BY COMPETITIVE MEANS IS EITHER NOT PRACTICABLE OR ADVANTAGEOUS TO THE STATE:

The CHS Soarian contract expires on July 19, 2024 and no further options to extend are available to the parties. As a result, the WH Region assessed the needs of the West Hawaii community and the services and service providers available. Following this assessment, it is expected that the WH Region and The Queen's Medical Center (QMC) will enter into a contract that will allow the WH Region facilities to use the QMC EHR, EPIC in exchange for certain consideration. This decision was made because QMC is the only other major service provide in West Hawaii. Using the same EHR, will promote a greater continuum of care for the West Hawaii community.

Preparation to move the WH Region's EHR to EPIC has begun and is expected to be completed before December 31, 2023.

The work to transfer the interfaces to EPIC will begin well before the EPIC system goes live. To ensure that patient care is seamless between the transition from CHS to Epic. All aspects of the clinical care and business units must be able to commence operations on the date of migration with no interruption. The estimated project migration date is between July 1, 2023 to January 1, 2024.

Based on the critical nature of the EHR system and WH's ability for its clinical care and business units to interface with the EHR system, HHSC has determined that competitively procuring the software and licenses necessary to continue to interface and operate for such a short period of time will be disadvantageous. This is so because, work has commenced and cannot stop for a potentially new product to be purchased and installed. The costs and human resources for such activity will be substantial.

9. DETAILS OF THE PROCESS OR PROCEDURES TO BE FOLLOWED IN SELECTING THE VENDOR TO ENSURE MAXIMUM FAIR AND OPEN COMPETITION AS PRACTICABLE:

HHSC policies and procedures will be followed and periodic reviews of the contract action will be performed. 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. Several existing contracts between WH and third party contractors exist. Each of these contracts, primarily for software and licenses, allow the clinical care and business departments to interface with the EHR. Presently, most of those contracts are either set to expire prior to December 31, 2023 or options to extend will be necessary. Certain of those contracts will be required for WH's ability to interface with EPIC system. Others will be required so long as the Cerner Soarian EHR system is operating.

10. A DESCRIPTION OF THE AGENCY'S INTERNAL CONTROLS AND APPROVAL REQUIREMENTS FOR THE EXEMPTED PROCUREMENT:

Request is reviewed by HHSC senior management and then forwarded to the corporate director of contracts management for additional review in accordance with HHSC policies and procedures. The President and CEO of HHSC (or his delegated CPO) approves the exemption requests covering more than one facility and in accordance with internal procurement policies and procedures.

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	
Nancy Delima	Director of Contracts	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Renee Lai	HHSC, CIO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Anne Lopez	HHSC, Legal	<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: Nancy Delima
 Phone Number: 808-359-0994

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.

Renee Lai Oct 8, 2021
 Department Head (Print: Renee Lai) Date

Reserved for CPO/Delegee Use Only

14 .Date Notice Posted: 10/07/21

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 *Edward N. Chu* Date Oct 25, 2021