HAWAII HEALTH SYSTEMS CORPORATION
NOTICE OF AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS, CONTRACT

1. TO: Chief Procurement Officer
2. FROM: Stephen Wada, Managing Analyst of Revenue Cycle & Compliance
   Department/Division/Agency
3. Name of Contractor: Perot Systems & HIRG
4. P.E. Reference No. Ex08-017
5. Description of goods, services, or construction:
   External staff to supplement our internal staff to assist in coding, billing and collections of claims
   outstanding. Several facilities require short-term external staff to assist with backlogs in coding and
   or billing and collections due to vacancies and terminations.
6. Scope of work for the contract is revised as follows:
   The existing healthcare coding backlogs and billing follow-up present an on-going need for
   additional skilled and qualified staff. The lack of skilled staff in healthcare coding at HHSC may
   jeopardize federal compliance issues and significantly impede billing efforts. HHSC does not have
   enough time to hire and train staff therefore the need to supplement existing staff with contracted
   external staff that is trained and knowledgeable in healthcare coding and billing is critical. Procurement
   by competitive process will take 3-6 months to complete and will not provide additional qualified
   candidates, as well as HHSC will not have the opportunity to reduce the backlogs of coding, billing and
   collection processes by the end of this fiscal year.
   The HHSC Managing Analyst listed below has concluded that a situation exists for the service
   listed in this exemption which is not listed in HRS Section 103D-102, and HAR Chapter 3-120, and that
   procurement by competitive means is either not practicable or not advantageous to the State based upon
   the specialized healthcare coding, billing and collection requirements.

   Original Contract Price: $ 1,500,000
   Amended Contract Price: $ 2,250,000
7. Reason: This/These amendment(s) are necessary because:
   The facilities have realized positive gains in utilizing external contractors in coding, billing, and/or
   collections. However, they still require and are requesting assistance to sustain the progress made to date
   at least until the end of the current fiscal year.
8. Direct questions to: Stephen Wada
   Phone: 808-733-4068

   Agency shall ensure adherence to applicable administrative and statutory requirements.

   Pursuant to § 103D-102, HRS, and § 3-120-5, HAR, I certify that the
   information provided above is, to the best of my knowledge, true and correct

   [Signature]
   [Date]

   Reserved for CPO/Delegree Use Only

   Date Posted:

9. Submit written objections to this notice of intent to amend a procurement exemption contract within seven
   calendar days or as otherwise allowed from the above posted date to: Chief Procurement Officer
   HHSC
   3675 Kilauea Ave.
   Honolulu, HI 96816
12. Chief Procurement Officer's Comments:

[ ] APPROVED  [ ] DISAPPROVED
[ ] NO ACTION REQUIRED

[Signature] 10/27/08

Chief Procurement Officer  Date