

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.

9. 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

Kelley Roberson
~~Stephen Wada~~
Department Head

[Signature]
Date 10/24/08

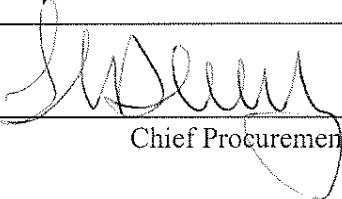
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Date Posted: _____

11. 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

 10/27/08

Chief Procurement Officer Date