

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

1. TO: Chief Procurement Officer
2. FROM: Patrick Saka, Maui Memorial Medical Center Chief Operating Officer

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: Maui Memorial Medical Center ("MMMC") would like to procure professional fee billing and collection services for MMMC-employed physicians from GroupOne Health Source.	
4. Name of Vendor: GroupOne Health Source, Inc. Address: 3219 Emerald Lane, #1200 Jefferson City, MO 65109	5. Price: - to be negotiated, but approximately the greater of \$1,000 or 5.45% of monthly "net collections" from patients and 3 rd party payers
6. Term of Contract: From: 11/1/08 To: 10/31/10	7. Prior Exemption Ref. No.
8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State: MMMC is intending to enter into an arrangement with a Maui-based cardiologist to share office space, administrative staff and clinical staff for cardiovascular, vascular and thoracic patients of MMMC-employed physicians until MMMC is able to move into its own office space with its own staff. MMMC is in the early stages of developing a comprehensive cardiovascular services program on Maui to meet the huge unmet need for such services for Maui residents and visitors. The first phase of the program involves the hiring of physicians to provide cardiovascular, vascular and thoracic care to patients. MMMC is in the process of planning and design for long-term physician offices adjacent to the current MMMC facility. It is anticipated that completion of those offices will be in approximately one year (October 2009). A local physician (cardiologist) has offered to share his excess office space and staffing resources with MMMC in an effort to help jumpstart the cardiovascular services offered on Maui. The cardiologist's staff is well qualified to provide administrative and clinical services to assist the MMMC-employed physician(s). One of the conditions of the offer by the physician to MMMC is that MMMC utilize the same electronic medical records his office and clinical staff current uses, which is provided as a part of the billing and collection services offered by GroupOne Health Source, Inc. MMMC feels that it is neither practicable nor advantageous to the State to seek other competitors as this is the only system that will be acceptable to the physician offering to share his space and staff with MMMC. The overall benefit to the Maui community (State) is that much needed healthcare services will be available sooner to those in need and will not have a significant impact to the State's competitive bidding process. The reputation of GroupOne Health Source, Inc. within the industry is solid and their proposed pricing appears to be reasonable as compared to others who provide similar services.	
9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: MMMC will compare the proposed services and fees from GroupOne Health Source, Inc. to other similar providers to ensure fair market value pricing..	

*EX 09-004
Group One*

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
 ** See attached HHSC policy HHSC PUR 0017 - Corporate and System-Wide Contracts: Exempt Procurement

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	
Wesley Lo	MMMC Chief Executive Officer	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Russell Johnson	MMMC Chief Financial Officer	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Nancy Delima	Sr. Contract Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Andrew Alvarez	Contract Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to:
 Department: MMC Administration
 Contact Name: Patrick Saka
 Phone Number: (808) 442-5104
 Fax Number: (808) 442-5112

13. This exemption should be considered for list of exemptions attached to Chapter 3-120, HAR: YES NO
 Agency shall ensure adherence to applicable administrative and statutory requirements

14. I certify that the information provided above is, to the best of my knowledge, true and correct.


 Department Head _____ Date 10/15/08

Reserved for CPO/Delegee Use Only

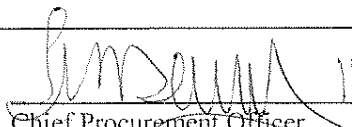
15. Date Notice Posted _____

The Head of the Purchasing Agency 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:

16. APPROVED DISAPPROVED


 Chief Procurement Officer _____ Date 11/11/08