

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

1. TO: Chief Procurement Officer **EX11-008**  
2. FROM: T. Summers, G. Nanamori, A. Stransky

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:

**The American Recovery and Reinvestment Act of 2009 has made grant funds available to Critical Access Hospitals (CAHS) for achieving “meaningful use” of electronic health record (EHR) systems. The non-profit Hawaii Health Information Exchange (HHIE) has been solely designated to coordinate, manage, and administer the grant funding for Hawaii. The cost for each participating HHSC facility will be a one-time payment of \$1,333.00.**

**Grant subsidies will be paid out to each CAH as they meet requirements for each of the following milestones:**

1. **Signing the Service Level Agreement with HHIE**
2. **Live status with EHR system**
3. **Achievement of “Meaningful Use”**

**The present grant amount per facility is \$4,000.00 and \$12,000 per facility if all three milestones are achieved.**

**This contract will provide the opportunity for the CAH's to access third-party facilitation of activities needed to reach “meaningful use”; such as needs assessments, project readiness, and training requirements. The value will lie in HHIE providing augmentation of current HHSC activities and providing a second layer of detail management in areas where the HHSC “experts” are limited due to geography or time constraints.**

<p>4. Name of Vendor: <b>Hawaii Health Information Exchange</b></p> <p>Address: 900 Fort Street Mall, Suite 1300 Honolulu, Hawaii 96813</p>	<p>5. Price: \$10,664.00</p>
<p>6. Term of Contract: From: TBD Feb., 2011 To: April 5, 2012</p>	<p>7. Prior Exemption Ref. No. N/A</p>

8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:

**The American Recovery and Reinvestment Act of 2009 (ARRA) authorized the Office of the National Coordinator for Health Information Technology with the U.S. Department of Health and Human Services (ONC) to establish Regional Extension Centers (REC) throughout the US to help health care providers achieve meaningful use of electronic health record (EHR ) systems.**

**In order to establish such RECs, ONC created the Regional Centers Cooperative Agreement Program wherein ONC sought applications from entities desiring to be designated an REC. Hawaii Health Information Exchange, a 501 (c) (3) non-profit corporation, has been designated the Regional Extension Center for Hawaii and the Pacific in accordance with HPREC's Cooperative Agreement 90RC0056/01 with the Office of the National Coordinator for Health Information Technology.**

**Because HHIE and its designees are the only authorized entities to facilitate this grant funding, HHSC has no alternative source for the funds and services.**

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

Please see above.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

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.

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	
Patrick Saka	COO – Maui Region	Approval	X Administration
Kathryn Harter	Interim CEO – West Hawaii Region	Approval	X Administration
Lance Segawa	Administrator - Kahuku	Approval	X Administration
Jerry Walker	CEO – Kauai Region	Approval	X Administration
Howard Ainsley	CEO – East Hawaii Region	Approval	X Administration
Alison Stransky	Corporate Contract Manager	Approval	X Administration
Alice M. Hall	Interim Corporate CEO and CPO	X Approval	<input type="checkbox"/> Administration

12. Direct inquiries to: Department: Contracts and Materials Management  
 Contact Name: Alison Stransky  
 Phone Number: 808. 733-9074  
 Fax Number:

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.

*Alison Stransky*  
 Department Head

2-8-11  
 Date

Reserved for CPO/Delegee Use Only

15. Date Notice Posted Feb 8, 2011

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:

*Alice M Hall*  
 CPO *Approved:*  
2/14/11