

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

EX - 104

1. TO: Chief Procurement Officer

2. FROM: Tammy Dumlao, Director of Revenue Cycle

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:
Data hosting services with access to the currently used eClinical Works billing software for thirty-two prior Maui Region providers.

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|---|-------------------------------|
| 4. Name and Address of Vendor: Physician Select Management LLC 212 W Ann Street Carson City, NV 89703 | 5. Price: \$115,200.00 |
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| 6. Term of Contract: From: To: January 11, 2018 through January 10, 2021 | 7. Prior Exemption Ref. No. None |
|---|---|

8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:
The procurement of data hosting services / eClinical Works billing software is not practical or advantageous to HHSC as the data and software is currently being hosted by the vendor who served as a subcontractor of GroupOne Health Source Inc. under a prior agreement with HHSC, and moving the data would result in additional costs beyond any potential savings.. In addition, the removal and transfer from one system to another may result in damage or corruption of the data. Any cost savings that may be obtained from the moving of data would be outweighed by the potential loss of data, therefore it is not practical to seek competitive quotes.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
As stated above, a competitive procurement process was not conducted as the integrity of the data is more beneficial to HHSC than potential cost saving received. In addition, Physician Select Management was a subcontractor for GroupOne Health Source Inc. who was awarded a contract through a competitive procurement process. Although Physician Select Management was not the awarded contractor, it could be said they were still selected through an open and competitive process as a subcontractor.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
HHSC Procurement Policies and Procedures will be followed in processing this procurement action, including this exemption request. In addition, the department who will oversee the contract will ensure the contractor complies with the agreement and payment of services are at the agreed upon rates.

11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:

| <i>Name</i> | <i>Position</i> | <i>Involvement in Process</i> | |
|---------------|---|--|--|
| Joe Evanoff | Director Contracts/Materials Management | <input type="checkbox"/> Approval | <input checked="" type="checkbox"/> Administration |
| Tammy Dumlao | Director of Revenue Cycle | <input type="checkbox"/> Approval | <input checked="" type="checkbox"/> Administration |
| Jeff Dansdill | Senior Contracts Manager | <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: Jeffrey E. Dansdill, CPPO, CPPB
Phone Number: 808-657-3721

13. Agency shall ensure adherence to applicable administrative and statutory requirements
~~certify that the information provided above is, to the best of my knowledge, true and correct.~~


Department Head Tapani Dumfao, Director of Revenue Cycle

Date: December 7, 2017

Reserved for CPO/Delegee Use Only

14 .Date Notice Posted: 12/13/17

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:

Critical for patient billing.

15. APPROVED



HHSC Chief Procurement Officer - Signature

1/9/18

Date

DISAPPROVED:

NO ACTION REQUIRED