

**DETERMINATION AND FINDINGS  
FOR  
SOLE SOURCE CONTRACT EXTENSION**

**Contracting Agency:** Department of Health Care Finance  
**Contractor:** Delmarva Foundation for Medical Care, Inc.  
**Contract Number:** DCHT-2012-C-0023  
**Caption:** Quality Improvement Organization (QIO)

**FINDINGS**

**1. AUTHORIZATION:**

D.C. Official Code Section 2-354.04 (a) (1), 27 DCMR Section 1702.2

**2. MINIMUM NEED:**

The Government of the District of Columbia, Department of Health Care Finance (DHCF) has an immediate need to extend the period of performance for the Sole Source Contract Number DCHT-2012-C-0023. DHCF needs the current Quality Improvement Organization (QIO) contractor to conduct utilization reviews and quality improvement activities for the District's fee-for-service Medicaid Program.

The QIO services will be required for six (6) months beyond the date of the current contract, January 31, 2013, to allow for the completion of the competitive procurement process. The period of performance for this extension will be from February 1, 2013 through July 31, 2013.

**3. ESTIMATED FAIR AND REASONABLE COST:**

The estimated fair and reasonable price to provide the required services for the period February 1, 2013 to July 31, 2013 is \$2,273,567.88. The prices offered have been determined fair and reasonable based on the fact that the unit prices are the same as those from the base year contract.

**4. FACTS THAT JUSTIFY CONTRACT EXTENSION:**

As a result of a competitive procurement conducted in 2005, Delmarva Foundation for Medical Care, Inc. (Delmarva) was awarded Contract POHC-2006-C-0035 to serve as the District's QIO. The contract contained a one (1) year base period and four (4) one (1) year option periods. The final option year ended April 26, 2011. The contract was extended via Modification 00016 for the period of April 27, 2011 to June 30, 2011. The contract was further extended via Modification 00018 from July 1, 2011 to July 15, 2011. In the best interest of the District services were permitted to continue and a ratification

for the period of July 16, 2011 through September 30, 2011 was finalized in order to cover all services performed by contractor prior to October 1, 2011.

A Sole Source Contract with Delmarva, Contract DCHT-2012-C-0035, was awarded October 1, 2011 through November 30, 2011 to serve as the District's QIO. The contract contained a two month base period with two (2) two months option periods. The base contract expired March 31, 2012.

According to the DC State Plan (4.14), DHCF needs to ensure that Medicaid recipients receive medically justified medical care. All hospital inpatient admissions, long term care admissions, surgical procedures (inpatient and outpatient), optical services, hearing service, and durable medical equipment need to be authorized as medically justified. Utilization and medical reviews are performed by a Quality Improvement Organization (QIO) designated under 42 CFR Part 456 to safeguard against unnecessary or inappropriate use of Medicaid Services to be in compliance with the Center for Medicare and Medicaid Services (CMS) rules.

During the competitive process to ensure continuous compliance with Federal Medicaid rules without interruption, maintain the quality and appropriateness of care and to allow contract continuity the following contracts have been awarded while the District completes the competitive procurement process.

- Sole Source Contract DCHT-2012-C-0035 – 10-1-2011/11-30-2011
- Extension DCHT-2012-C-0035 – 12-1-11/3-31-2012
- Ratification 4-1-12 through 6-19-2012
- Emergency Contract No. DCHT-2012-C-0012 - 6-20-2012/7-31-2012
- Ratification 8-1-2012 to 09-04-2012
- Sole Source Contract DCHT-2012-C-0015 – 09-05-2012/ 09-30-2012
- Sole Source Contract DCHT-2012-C-0019 - 10-02-2012/11-30-2012
- Sole Source Contract DCHT-2012-C-0023 - 12-01-2012/01-31-2013

Delmarva Foundation for Medical Care, Inc. (Delmarva), a Federal authorized QIO, was awarded Sole Source Contract No. DCHT-2012-C-0023, to continue to serve as the District's QIO, during the completion of the competitive solicitation DCHT-2012-R-0002. In accordance with Section F.2.1 of the contract, the Office of Contracts and Procurement provided the Contractor written notice via Modification No. 0002 of District's intent to extend the period of the contract to July 31, 2013.

The Contracting Officer has considered the following to extend the contract period:

- a. The requirement covered by the extension fulfills an on-going District need to have an organization certified by the Center for Medicare and Medicaid Services (CMS) to conduct utilization review and quality improvement activities for the District's fee-for-service Medicaid Program;

- b. Sufficient budget authority exists to fund the contract (Attachment A) with the District receiving the proceeds from cost-effective and quality healthcare services for residents of the District of Columbia;
- c. Allows for award of a contractor under competitive Solicitation.
- d. Allows for the transition of services from an incumbent contractor if required.
- e. The contract extension will be the most advantageous method of fulfilling the District's need, when price and other factors are considered.

The purpose of this sole source extension is to ensure continued compliance with Federal Medicaid rules without interruption while the District completes award of a competitive procurement.

In consideration of the District's minimum need, Delmarva is the current contractor with the expertise, to properly provide transition services required to ensure the proper transition of services.

**CERTIFICATION BY AGENCY DIRECTOR**

I hereby certify that the above findings are true, correct and complete to the best of my knowledge and belief.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Wayne Turnage, Director  
Department of Health Care Finance

**CERTIFICATION BY THE CONTRACTING OFFICER**

Based on the findings, I hereby determine Delmarva Foundation for Medical Care, Inc., shall be responsible and capable of satisfactorily conducting utilization reviews and quality improvement activities for the District's Fee-for-Service Medicaid Program under the Proposed Sole Source Extension. I have reviewed the above findings and certify that they are sufficient to justify the use of the sole source method of procurement under the cited authority. I recommend that the Chief Procurement Officer approve the use of the sole source procurement method for this proposed contract.

\_\_\_\_\_  
Date

\_\_\_\_\_  
O'Linda Fuller, MBA, CASA  
Contracting Officer

**DETERMINATION**

Based on the above findings and in accordance with the cited authority, I hereby determine that it is not feasible or practical to invoke the competitive solicitation process under either Section 404 of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Law 18-371; D.C. Official Code § 2-354.04 Sec 404 (a)(b)(c) DCMR 1700, D.C. Law 18-371; ). Accordingly, I determine that the District is justified in contracting using the Sole Source Method of Procurement.

\_\_\_\_\_  
Date

\_\_\_\_\_  
James D. Staton, Jr.  
Acting Chief Procurement Officer