

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

CONTRACT NO:	CW15688
CAPTION:	HAHSTA – ADAP Pharmacy Suite Applications HIPPA Compliant Standard System
PROPOSED CONTRACTOR:	XEROX STATE HEALTHCARE, LLC
PROGRAM AGENCY:	DC Department of Health HIV/AIDS, Hepatitis, STD, TB Administration, Community Health Administration.

FINDINGS

1. AUTHORIZATION:

D.C. Official Code §2-354.04, 27 DCMR 1304, 1700 and 1701

2. MINIMUM NEED: The Government of the District of Columbia Department of Health, thru the Community Health Administration (CHA) and the HIV/AIDS, Hepatitis, STD, TB Administration (HAHSTA) seek a contractor to serve as the pharmacy benefits manager (PBM) to provide and administer a point of sale (POS) pharmacy system to support all pharmacy benefit services for eligible District Aids Drug Assistance Program (ADAP) beneficiaries and provide pharmacy support services for the agencies.

A Point-of-Sale prospective DUR claims processing system is required to provide pharmaceutical support services; to include accepting and adjudicating District of Columbia HAHSTA ADAP prescription claims in the NCPDP 5.1, or the latest version, HIPAA standard format to address all forms of claims submissions. The needed system should have performed extensive certification with all major commercial switch vendors and the majority of practice management systems in the market to ensure compliance with the NCPDP 5.1 standard. The vendor should maintain compliance with all subsequent NCPDP versions, as well. The vendor should address the National Provider Identifier (NPI) requirement and all other legacy requirements in a system that runs 24 hours a day, 7 days a week, 365 days a year (with scheduled maintenance). The vendor must accept claims through on-line submission at the point of sale through established telecommunications connectivity with all the major commercial switch vendors including —NDC, and QS1; batch (NCPDP 1.1 HIPAA standard) through use of FTP or NDM and accept claims submission on diskette and CD.

The required pharmacy suite of applications must be compatible and comparable to the existing pharmacy suite of applications currently utilized by the DOH HAHSTA ADAP program, and the applications must be compliant with 45 CFR Part 162 HIPAA Administrative Simplification: Standard Unique Health Identifier for Health Care Providers requirements.

The vendor must have the capability to develop the necessary systems requirements, system construction and testing, and implement the applicable pharmacy suite of applications and their respective operations including the Point of Sale (POS) Pharmacy system, formulary management, formulary maintenance, HIV cost (DOD pricing) systems and DOH Pharmaceutical Warehouse reports and other essential program requirements. The Contractor shall process a minimum of 25,000 ADAP pharmacy program claims annually.

3. ESTIMATED REASONABLE PRICE: The estimated price for the development, implementation and a fully functional go live status is \$415,000.00.

4. FACTS WHICH JUSTIFY SOLE SOURCE PROCUREMENT: The DC Department of Health HIV/AIDS Hepatitis, STD, TB Administration (HAHSTA) Aids Drug Assistance Program (ADAP) provides pharmaceutical assistance to eligible District residents pursuant to the authority set forth in the Ryan White Treatment Modernization Act of 2006, Part B (Applicable Document #5). The District receives grant funds to provide medications to treat HIV disease. This program is authorized by Title 47, Section 300ff-26 of the U.S. Code.

These pharmacy providers dispense anti-retroviral and other approved HIV-related medications to eligible District residents living with HIV and enrolled in a qualifying DOH program. The prescription claims processing and other required agency service requirements are provided through the Contractor's PBM as a part of the contractual agreement. This current Contractor, HAHSTA ADAP and DHCF Medicaid HIV Program work to provide prescription services to eligible District residents.

The pharmacy suite of applications needed include, but not limited to the following:

- ADAP Formulary Management
- Point-of-sale claims adjudication with HIV drug cost incorporations
- Prospective/retrospective drug utilization management
- Automated prior authorization and contact management system
- Pharmacy service provider network administration
- Replenishment report for the DOH Pharmaceutical Warehouse
- Monthly Pricing Reports
- Ad hoc agency report requirements

DOH is also required to ensure that all applicable PBM systems comply with established regulations and applicable systems licensure and standards. This also involves the capability to interface with the District's Income Maintenance System and the DHCF Medicaid applications currently in use to determine and/or verify client eligibility for the appropriate HIV program.

In consideration of the specific and proprietary nature of the procurement a select market survey was conducted however the other vendor chose not to provide information for the survey. **XEROX STATE HEALTHCARE, LLC** has provided ADAP services for DC Medicaid clients for the past seven years. If another vendor is chosen to provide the services mentioned, The District will lose all intellectual property gained over several years of service. Implementation 1

& 2 have already been conducted by the suggested vendor in the amount of \$994,802.14 over the past 12 months and are now ready to go into the 3rd phase of the process.

For the reasons provided above and in consideration of the DC DOH need to expeditiously procure an appropriate pharmacy system or face potentially negative programmatic and financial consequences, it is both necessary and in the best interest of the District to procure the needed services utilizing the sole source method of procurement.

5. CERTIFICATION BY AGENCY HEAD:

I hereby certify that the above findings are true, correct and complete.

Date

Interim Director, Department of Health

6. CERTIFICATION BY CONTRACTING OFFICER:

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 certify that the notice of intent to award a sole source contract was published in accordance with 27 DCMR 1304 and that no response was received. I recommend that the Chief Procurement Officer approve the use of the sole source procurement method for this proposed contract.

Date

Frederick A. Dorsey Jr. CPPB
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 402 or 403 of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Law 18-371; D.C. Official Code § 2-354.02 or 2-354.03). Accordingly, I determine that the District is justified in using the sole source method of procurement.

Date

James D. Staton, Jr.
Chief Procurement Officer