

**DETERMINATION AND FINDINGS  
FOR A  
SINGLE AVAILABLE SOURCE PROCUREMENT**

<b>CONTRACT NO: DCHC-2008-T-1520</b>
<b>CAPTION: Third Liability Recovery</b>
<b>PROPOSED CONTRACTOR: Health Management Systems</b>
<b>PROGRAM AGENCY: Health Care Operations Administration</b>
<b>AUTHORIZATION: D.C. Official Code §2-354.04, 27 DCMR 1304 and 1700</b>

**1. MINIMUM NEED:**

The District of Columbia's Department of Health Care Finance has a need for a third party liability recovery vendor. This vendor will be required to conduct monthly data matches of the District of Columbia Medicaid eligibility file against multiple Commercial and Tricare insurance eligibility files. The purpose of these matches is to identify Medicaid beneficiaries who also have Commercial or Tricare coverage, of which DHCF was previously unaware. The vendor will also be required to compile all Medicaid beneficiaries who also have Third Party insurance coverage, and scan the Medicaid Paid Claims File for claims which fell during their dual eligible period and have not been previously billed. The vendor will then bill these claims to the respective Third Party with instructions to reimburse Medicaid, and process the recoveries back to the District.

Period of performance is January 1, 2012 through December 31, 2012.

**2. ESTIMATED REASONABLE PRICE: \$775,000**

The estimated fair and reasonable price to provide the required services for the period from January 1, 2012 through December 31, 2012 is approximately \$775,000 and is based on the previous contract rates that the vendor negotiated with the District in 2009. These rates reflect the vendor's General Service Administration rates offered to all government clients. The GSA sets standards and monitors government pricing in GSA contracts to prevent unfair pricing and therefore the pricing offered is deemed fair and reasonable.

**3. FACTS WHICH JUSTIFY SOLE SOURCE PROCUREMENT:**

HMS was awarded a competitive Task Order against their GSA Contract in 2009. For a period of one base year and four option years. The pricing was negotiated based on their GSA schedule by the then current Contracting Officer. The preliminary notice to exercise

the option year was sent to the vendor but the Contracting Officer did not sign the paperwork required to execute the Option. The services provided from this contract both prevent District monies from being unnecessarily and erroneously spent and generate revenue for the District. The cost avoidance project identifies Medicaid beneficiaries who have overlapping Third Party coverage which the District was unaware of. These records are uploaded into Medicaid's electronic payment database and utilized to flag claims which should be first billed to the liable Third Party. The direct billing project bills Medicaid paid claims to the liable Third Party carriers, with 90% of the monies recovered directly realized by the District.

Therefore, in the best interest of the District and to avoid any disruption in Agency services and to ensure that there is no break in a service that generates revenue for the District, a sole source is being award to HMS until a new contract is competitively awarded. The District intends to issue a Request for Proposal by October 1, 2012 and make an award by January 1, 2013.

#### **4. CERTIFICATION BY AGENCY HEAD**

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

\_\_\_\_\_  
Date

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

#### **5. 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 Section 404(c) of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Official Code §2-354.04) 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

\_\_\_\_\_  
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.

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Date

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James D. Staton, Jr.  
Chief Procurement Officer