

**DETERMINATION AND FINDINGS FOR A
SOLE SOURCE PROCUREMENT**

Contract No: DCHT-2013-C-0135
Caption: Quality Improvement Organization
Proposed Contractor: Delmarva Foundation for Medical Care, Inc.
Program Agency: Department of Health Care Finance

FINDINGS

1. AUTHORIZATION:

D.C. Official Code §2-354.04, 27 DCMR 27 Sections 1304.2, 1305.1 and 1701

2. MINIMUM NEED:

The Department of Health Care Finance (DHCF) has an immediate need for a contractor to provide continuing Quality Improvement Organization ("QIO") utilization review and quality improvement activities for the District's fee-for-service Medicaid program until the District issues a new competitive procurement Request for Proposal Solicitation ("RFP").

The requirement for this contractor is set forth in 42 CFR Part 456, which requires all states and the District of Columbia to have a QIO contractor to provide a statewide utilization program for Medicaid recipients. Specifically, pursuant to federal regulations under 42 CFR Part 456, the contractor must certify admission to hospitals and institutions. Moreover, for Long Term Acute Care (LTAC) hospitals and rehabilitation facilities, the contractor must provide concurrent recertification to ensure that the beneficiary meets the criteria for continued inpatient care. The District is penalized for failure to have a Medicaid utilization program in place.

3. ESTIMATED REASONABLE COST:

The estimated fair and reasonable price to provide the required services during the contract is \$378,927.98 per month.

4. FACTS WHICH JUSTIFY SOLE SOURCE PROCUREMENT:

A contractor other than Delmarva will require a (90) day transition period in order to continue services until a new contract is awarded. This is so because of the transition process which requires all the steps listed below (See also Attachment A). Delmarva is the only contractor who does not need a transition period because Delmarva is already performing the services. Any other contractor would need the transition period. Accordingly, Delmarva is the only contractor that can start up immediately to provide the District with these critical services (See Attachment A).

QIO Contract Transition In/Out

The transition process will take approximately 90 days to complete. The main factors in transitioning the QIO contract are:

- i. Transferring patient files from the current QIO vendor to the new QIO vendor;
- ii. Establishing policies and procedures for each CLIN of the contract;
- iii. Notifying and educating the providers on the new process and/or software;
- iv. Enrolling the new QIO staff into the District's Medicaid Management Information System (MMIS); and
- v. The new QIO passing a Readiness Assessment.

The current QIO would need to submit:

- i. Transition plan to the new vendor (30 days);
- ii. Old and pending patient files during the period of the contract (60 days);
- iii. Copies of Criteria, Policies and Procedures, and Provider Manual (30 days); and
- iv. Copies of denied files and files pending reconsideration or appeal.

The new QIO vendor would need to:

- i. Locate office space and set-up office in the District (60-90 days).
- ii. Contractor will work with subcontractor to recruit and hire staff. (60-90 days).
- iii. Configure IT services to send and receive data, compile old patient files, gain access to MMIS for staff, and test the system for processing and reporting. (60 days).
- iv. Notify the external providers of the contract award and new process and provide outreach for their computer software and website. (30 days).
- v. Collaborate with DHCF on policies and procedures, denial letters, and criteria for each CLIN. (60-90 days).
- vi. Train their staff on the District's process, policies and procedures for completing reviews (30 days).
- vii. Complete a DHCF Readiness Assessment (30 days).

See Attachment A. Because of the transition requirements listed above:

- A. Delmarva is the only vendor that can provide immediate service in order to ensure that Medicaid beneficiaries receive timely and medically necessary services without interruption while the District completes award of a competitive procurement. DCHF also requires continuity of performance until selection is made from the competitive procurement and for the ninety (90) day transition period after award.

B. Delmarva is the only contractor that has immediate access to the District's MMIS patient information to complete authorizations, current Policies and Procedures for the prior authorization of medical services and adverse decision information to testify if needed at fair hearings as scheduled for each month. Delmarva has processes in place for providers to submit Forms and Documentations (719A Forms) to obtain a determination for requested medical services.

5. 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

6. 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 Contract. 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 D.C. Official Code §2-354.04. 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 D.C. Official Code § 2-354.04. Accordingly, I determine that the District is justified in awarding the Sole Source contract to Delmarva.

Date

James D. Staton Jr.
Chief Procurement Officer

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- 4) Enrolling the new QIO staff into the District's MMIS system, and
- 5) The new QIO passing a Readiness Assessment.

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- 4) Notify the external providers of the contract award and new process and provide outreach for their computer software and website. (30 days)
- 5) Collaborate with DHCF on policies and procedures, denial letters, and criteria for each CLIN. (60-90 days)
- 6) Train their staff on the District's process, policies and procedures for completing reviews (30 days)
- 7) Complete a DHCF Readiness Assessment (30 days)

Cavella Bishop, RN, MBA
Program Manager
Department of Health Care Finance
Clinician, Pharmacy, Acute Provider Service
April 2, 2013

Cavella Bishop, 4/2/13