
Notice of Intent to Certify Sole Source

To: Interested Parties
From: Craig P. Orgeron, Ph.D.
CC: ITS Project Number 41998
Date: October 13, 2015
Re: Sole Source Certification Number 3829 to provide Utilization Management Software for Mississippi State Hospital

Contact Name: Donna Hamilton
Contact Phone Number: 601-432-8114
Contact E-mail Address: Donna.Hamilton@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 3829 for Utilization Management Software for Mississippi State Hospital, please be advised that ITS intends to award McKesson Health Solutions LLC, as the sole source provider of InterQual clinical content for inpatient psychiatric patients ages 4-12, adolescents, adult, and geriatric as well as acute care patients, in an amount not to exceed \$219,816.40 through December 31, 2021. For an explanation regarding Mississippi state law, policy, and procedures for sole source procurements, refer to Attachment C: Sole Source Procurement Overview.

Sole Source Criteria

1. The product or services being purchased must perform a function for which no other product or source of services exist:

MS State Hospital has used the paper-based InterQual Clinical Content for utilization management since 1999. The paper-based Clinical Content will no longer be published after April 1, 2016. Users will be required to implement InterQual's CareEnhance Review Manager Enterprise software for utilization management. MS State Hospital has made a business decision to continue using the InterQual clinical content by implementing the electronic version of the product. The Customer's sole source certification request is included as Attachment A.

2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services:
-

MS State Hospital uses InterQual’s Clinical Content for utilization management of inpatient psychiatric patients for ages 4-12, adolescents, adult, and geriatric. The Clinical Content provides criteria to assist staff in determining the appropriate care prior to its provision. McKesson and Milliman are the only vendors that provide utilization management software specific to psychiatric; however, each vendor’s content is unique. InterQual’s clinical content includes utilization management, case management, regulatory compliance, and quality control. The InterQual solution is utilized by 44 hospitals in Mississippi including the contractor that reviews records for the Mississippi Division of Medicaid. Nationally, 86% of hospital discharges and admissions are informed by InterQual content. The Customer’s sole source certification request is included as Attachment A.

3. The product or services must be available only from the manufacturer and not through resellers who could submit competitive pricing for the product or services:

McKesson Health Solutions is the only company that develops and distributes InterQual clinical content and Care Enhance Review Manager Enterprise software. InterQual clinical content is proprietary evidence-based clinical content that is used to determine appropriateness of care. CERMe is the software that automates the review process using the InterQual content. The Vendor’s sole source certification letter is included as Attachment B.

Schedule

Task	Date
First Advertisement Date	10/13/15
Second Advertisement Date	10/20/15
Response Deadline from Objectors	10/27/15 at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 10/28/15

Project Detail

Mississippi State Hospital has used the InterQual clinical content as the framework for their business processes since 1999. The Care Enhance Review Manager Enterprise software will automate the paper-based clinical content processes and provide operating efficiencies. The software will allow State Hospital to automate workflows to achieve greater consistency from reviewer to reviewer. It improves process as it has the ability to collect and organize data to identify trends, meet regulatory requirements, explore reasons behind utilization patterns and identify areas for quality improvement. In addition, the software meets recognized Utilization Review Accreditation Commission (URAC) standards in the Health Utilization Management Program. Therefore, Mississippi State Hospital has made the business decision to implement InterQual’s CareEnhance Review Manager Enterprise software. Mississippi State Hospital purchased the InterQual Clinical Content in 1999. The total spent to date is \$366,658.61.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that InterQual's CareEnhance Review Manager Enterprise software should not be certified as a sole source should provide information in the following format for the state to use in determining whether or not to proceed with awarding the Sole Source contract to McKesson Health Solutions.

1.1. Interested Party Information

1.1.1 Contact Name, Phone Number and email address

1.1.2 Company Website URL, if applicable

1.2 Objection to Sole Source Certification

1.2.1 Interested parties must present specific objections to the Sole Source certification using the criteria listed above.

1.2.2 A statement regarding the Interested Party's capabilities as related to this Sole Source Certification Request.

1.3 Comments will be accepted at any time prior to Tuesday, October 27, 2015, at 3:00 p.m. (Central Time) to Donna Hamilton at Donna.Hamilton@its.ms.gov or at the Mississippi Department of Information Technology Services, 3771 Eastwood Drive, Jackson, Mississippi 39211. Responses may be delivered by hand, via regular mail, overnight delivery, e-mail, or by fax. Fax number is (601) 713-6380. ITS WILL NOT BE RESPONSIBLE FOR DELAYS IN THE DELIVERY OF RESPONSES. It is solely the responsibility of the Interested Parties that responses reach ITS on time. Interested Parties may contact Donna Hamilton to verify the receipt of their Responses. Responses received after the deadline will be rejected.

1.4. Interested Party responses should include the following information:

**SUBMITTED IN RESPONSE TO
Sole Source Certification No. 3829-41907
Accepted until October 27, 2015 @ 3:00 p.m.
Attention: Donna Hamilton**

If you have any questions concerning the information above or if we can be of further assistance, please contact Donna Hamilton at 601-432-8114 or via email at Donna.Hamilton@its.ms.gov.

Attachment A: Customer Sole Source Certification Request

Attachment B: Vendor Correspondence

Attachment C: Sole Source Procurement Overview

Project Title: Utilization Management			Stimulus (ARRA) Funds? Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/>	
Customer Contact Information				
Agency/Public University: State Hospital, MS Address: P.O. Box 157-A Whitfield, MS 39193			Contact Person: Bart Uharriet Phone: 601-351-8167 Fax: Email Address: bart.uharriet@msh.state.ms.us	
MAGIC Customer Number (only required from state agencies): 7000000269 (MS State Hospital – Accounts Payable)			Division/Dept: Handmail: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Project Summary <i>Narrative Description of Project</i> (include details of original acquisition if applicable): This project is for a clinical decision support system for MSH using McKesson InterQual software. MSH historically has used the printed version of the InterQual clinical content, which will no longer be available after the current year.				
ITS Acquisition Approval (CP-1) should be effective through this date (Please allow time for all vendor invoices to be paid):				
Cost Estimates <i>Fiscal Year</i>	Initial Costs	Ongoing Costs	Time Constraints Item Needed by: 12/1/15 Funds Expire:	Anticipated Lifecycle of Products/System (i.e. estimated years of effective use): 6 or more
2015	\$56,443.28		Discuss Funding (e.g. how much of needed funding is definite; total project budget; any matching or other non state funds) Funding is definite.	
2016		\$40,843.28		
2017		\$40,843.28		
2018		\$40,843.28		
2019		\$40,843.28		
Total	\$56,443.28	\$163,373.12		
Acquisition Details				
Items Requested	Quantity	Description	Building Location(s)	
InterQual Historical Criteria			MS State Hospital, Oak Circle Center, Whitfield Med-Surgical Hospital	
CareEnhance Review Manager Enterprise			MS State Hospital, Oak Circle Center, Whitfield Med-Surgical Hospital	
Business Objects Crystal Reports			MS State Hospital, Oak Circle Center, Whitfield Med-Surgical Hospital	
Symphonia HL& Interface Enabler			MS State Hospital, Oak Circle Center, Whitfield Med-Surgical Hospital	
Describe platform & infrastructure (connectivity; software/hardware platforms; utilization of State Data Center resources: mainframe, eGovernment portal, payment engine, document management, hosting). For equipment or hosting outside the State Data Center, attach justification: ASP model				
Progress to Date: What has been done related to this project, including any communication with ITS staff (data/voice/procurement/other)?				
Sole Source Certification Note: Certification must be renewed for each revision or continuation of previous Sole Source Approvals.				
Specific business requirements to be met by the requested products or services: MS State Hospital has used the paper-based InterQual Clinical Content for utilization management since 1999. The paper-based Clinical Content will no longer be published after April 1, 2016. Users will be required to implement InterQual's CareEnhance Review Manager Enterprise software for utilization management.				
Explain why these products or services are the only ones that can meet your needs (include unique features/special functionality): MS State Hospital uses InterQual's Clinical Content for utilization management of inpatient psychiatric patients for ages 4-12, adolescents, adult, and geriatric. The Clinical Content provides criteria to assist staff in determining the appropriate care prior to its provision. McKesson and Milliman are the only vendors that provide utilization management software specific to psychiatric; however, each vendor's content is unique. InterQual's clinical content includes utilization management, case management, regulatory compliance, and quality control. The InterQual solution is utilized by 44 hospitals in Mississippi including the contractor that reviews records for the Mississippi Division of Medicaid. Nationally, 86% of hospital discharges and admissions are informed by InterQual content.				
Explain why the source is the only entity that can provide the products or services (include other products/vendors researched or evaluated): McKesson Health Solutions is the only company that develops and distributes InterQual clinical content and Care Enhance Review Manager Enterprise software. InterQual clinical content is proprietary evidence-based clinical content that is used to determine appropriateness of care. CERMe is the software that automates the review process using the InterQual content.				
Explain why the amount to be expended for the services is reasonable: N/A				
Explain what your agency did to obtain the best possible price for the services: N/A				
Vendor's Certification of Sole Source attached: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			Vendor's proposal submitted: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MAGIC Vendor Code(s) Vendor must be in MAGIC before a CP-1 can be issued.				
Place Order To			Remit To	

Vendor Name: McKesson Health Solutions Vendor Address: 275 Grove Street, Suite 1-210 Newton, MA 02466	Vendor Name: McKesson Health Solutions Vendor Address: 275 Grove Street, Suite 1-210 Newton, MA 02466
--	--

By my signature, I certify that, to the best of my professional knowledge: the requested product or services are a sole source as outlined in the ITS Procurement Handbook, Rule 207.2:013-030 Procurement Types: Sole Source, and as outlined in Mississippi Code annotated Section 31-7-13. In addition, I acknowledge that there is a charge for ITS procurement services associated with this request which will be billed to the requestor by ITS and that my agency/public university is responsible for these charges/costs.

Denise Jones CIO
Name (Agency Head or Public University CIO)/Title

Denise Jones 10-2-15
Signature Date

Attachment B



September 1, 2015

Julie Johnson, RN, BSN
Director of Utilization Review
Mississippi State Hospital
3550 Highway 468 West / P.O. Box 157-A
Whitfield, MS 39193

Dear Julie,

This letter is to inform you that McKesson Health Solution is the only company that develops and distributes InterQual™ clinical content and Care Enhance Review Manager Enterprise™ (CERMe) software.

InterQual™ clinical content is proprietary evidence-based clinical content that is used to determine appropriateness of care. CERMe is the software that automates the review process using the InterQual content.

I hope this meets your requirements. Please do not hesitate to contact me should you have additional questions.

Sincerely,

Keith Andelman
AVP, Sales, McKesson Health Solutions

Attachment C: Sole Source Procurement Overview

The acquisition of information technology for all state agencies and institutions of higher learning (IHLs) is within the scope of the ITS law, found in Mississippi Code Section 25-53-1, et seq., and the policies and procedures established in accordance with this statute, found in the ITS Procurement Handbook posted on the ITS website (www.its.ms.gov).

ITS enabling legislation requires that information technology hardware, software and services be acquired in a manner that insures the maximum of competition among all manufacturers and suppliers of such equipment and services. Accordingly, ITS promotes full and open competition through the issuance of open specifications and the objective evaluation of Interested Party proposals to determine the lowest and best offering to meet an agency's or public university's business requirements. True competition protects the integrity and credibility of purchasing in the public sector and is essential in providing best value and adequate contractual protection for the purchasing entity. In certain limited situations, information technology acquisitions may be sole-sourced.

ITS utilizes the provisions of Public Purchasing Law for Sole Source and Emergency procurements of information technology. Mississippi Public Purchasing Law (Mississippi Code Section 31-7-13) specifies that noncompetitive items available from one source only be exempted from bid requirements (sole sourced). ITS statute, in Section 25-53-5 (p), permits ITS to utilize provisions in Public Purchasing Law or regulations, when applicable.

Per Public Purchasing law, acquisitions must meet the following criteria to be authorized as sole source:

1. The product or services being purchased must perform a function for which no other product or source of services exists,
2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services, AND
3. The product or services must be available only from the manufacturer and NOT through resellers who could submit competitive pricing for the product or services. The vendor's correspondence regarding this criterion for this project is included as Attachment B.

By policy as documented in the ITS Procurement Handbook, acquisitions of IT services must include the following information to be authorized as sole source:

1. An explanation about why the amount to be expended is reasonable, and
2. An explanation regarding the efforts by the purchaser to obtain the best possible price.

For state agencies, approval of all technology purchases with a lifecycle cost of \$5,000 or less, including sole source purchases, has been delegated to the agency. The ITS Procurement Limits Policies for Agencies (a section in the ITS Procurement Handbook) require a minimum of two competitive written bids or proposals for technology purchases with a lifecycle cost over \$5,000 but not over \$50,000 (not over \$25,000 for projects funded by the American Recovery and Reinvestment Act). Since, for single source items, the procuring agency will be unable to obtain two written bids, ITS must certify all sole source acquisitions of information technology with a lifecycle cost greater than \$5,000.

Institutions of Higher Learning (IHLs) or public universities have been delegated the authority to certify sole source procurements up to \$250,000 lifecycle cost under the ITS Procurement Limits Policies for IHLs (a section in the ITS Procurement Handbook). For the certification of sole source procurements delegated to the CIOs at public universities, the public university must follow ITS' Sole Source Procedure, including advertisement of the intent to award as sole source. Institutions certifying a sole source purchase must ensure the criteria listed above are met and documented in writing by the institution and the Interested Party prior to certifying a product or service as sole source. Sole source documentation must be reviewed and approved by the IHL's CIO for any sole-source certification above \$5,000. All sole source documentation should be retained in the public university's procurement file. Sole source requests above \$250,000 lifecycle cost require ITS approval.

Other than the delegations outlined above, all sole source technology procurements must be certified by ITS. The customer's Sole Source Certification Request for this project is included as Attachment A.

ITS thoroughly reviews Sole Source Certification Requests, determining if competing products and/or services exist. If so, ITS conducts a competitive procurement. If ITS' review confirms the sole source, then a Sole Source advertisement is issued, giving other Interested Parties an opportunity to identify competing products and/or services. Based upon the results of the Sole Source advertisement, ITS will either certify the request as a sole source or conduct a competitive procurement.