

# SOURCE JUSTIFICATION FORM

## Bureau of Procurement

The objective of this form is to capture all relevant documentation an Agency may have to assist the Department of General Services ("DGS"), Bureau of Procurement, in expediting the source justification review process. This form must be completed electronically, signed, and submitted with all relevant documentation to DGS. If a question is neither mandatory nor applicable, please indicate "N/A". Please use standard terminology and define acronyms.

## SECTION A

<b>1. Agency Name:</b>	Department of Human Services "prior DPW"		
<b>2. Procurement Description:</b> This description will appear on the eMarketplace website for public viewing	Medicaid Management Information System (MMIS)		
Materials Description:			
Services Description:			
<b>3. Materials Shopping Cart # or Services SPR#</b>	41-08	Estimated Cost:	\$5M +
		Initial Contract Term:	6 year
		Renewals:	one 3-year renewal
<b>4. Supplier - Name:</b>	DXC Enterprises (Formerly HPE)		
Full Address:	1250 Camp Hill Bypass, Suite 100, Camp Hill, PA 17011		
Contact Name:	Alan Fowler		
Telephone:	717-260-5701	FAX:	
E-mail:	alan.fowler@dxc.com		
SRM Supplier #:	xx		
<b>5. Delivery or service location:</b>	Camp Hill, PA		

## SECTION B

<input checked="" type="checkbox"/>	<b>1. Sole Source:</b> Only known source - Not available from another supplier.
<input type="checkbox"/>	<b>2. Material/Repair/Maintenance:</b> Material or service MUST be compatible with existing equipment. Documentation must be provided from the manufacturer.
<input type="checkbox"/>	<b>3. Used Equipment:</b> Value set by 2 independent 3rd party appraisals.
<input type="checkbox"/>	<b>4. Professional Expert:</b> Describe in detail in Section C.
<input type="checkbox"/>	<b>5. Exempt (Law):</b> A federal or state statute or regulation exempts the procurement from the competitive procedure. Any applicable information precluding the procurement from competitive procedures must be attached.
<input type="checkbox"/>	<b>6. Feasibility:</b> Clearly not feasible to award the contract on a competitive basis.

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## SECTION C

**1. Describe the unique features of this procurement that prohibit a competitive environment. If applicable, attach a Statement of Work ("SOW").**

In the last fiscal year, PROMISe processed over 40 million FFS claims, resulting in \$10 billion in payments; processed over 104 billion MCO encounters; processed approximately \$14 billion in MCO capitation payments; performed over 258 billion electronic eligibility verification requests; processed thousands of electronic provider enrollment applications; imaged almost 50,000 authorization forms, 47,000 special handling paper claims and 580,000 paper claim forms. In addition over 1 million letters/notices and 357,000 Access ID cards have been generated and mailed to recipients. All claims and encounters are processed using custom state plan requirements, as well as federal CMS regulations. HPE also provides the technical help desk for PROMISe users and a Provider Assistance Center for billing questions. They are also responsible for providing user and provider training for PROMISe. HPE also creates the managed care enrollment files (834) for all the managed care organizations, physical and behavioral health.

**2. Document and attach the research that has been conducted to date to verify the supplier is the only known source.**

The PA Medicaid Management Information System - PROMISe is a system built specifically for processing PA Medicaid medical service claims, financials, and all related servicing activities. It is possible for the system to be replaced, and we are currently in the process of procuring a new system, but until the new system is functioning, we need to continue the HPE/PROMISe contract. CMS guidelines have very specific requirements how to achieve a certified MMIS. In following their guidelines, we are required to procure an independent verification and validation vendor. We are also required to procure a System Integrator to tie all the modules together. To assist us in gathering the requirements of the new system, we are planning to procure an IT Consulting and Quality Assurance vendor.

**3. Does the supplier utilize distributors, dealers, resellers, etc.? If "Yes," please identify.**

No

**4. Are there compatibility requirements or compliance requirements with a warranty or service agreement? If "Yes," please explain.**

No

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**5. How has the material or service been procured in the past? Please provide previous source justifications, contracts, & PO's for this material or service.**

The HPE contract for the PROMISe system has been in place since 2004. The original procurement in 2004 and a fiscal agent procurement from 2009 were handled by releasing RFPs. We are currently in the process of releasing RFPs for a new MMIS, but due to the size of the project and the delays due to new CMS mandates, the system will not be procured and functional before the end of the HPE contract extension. When PROMISe was procured, it was one system and one big-bang implementation. CMS no longer supports one system or a big-bang implementation approach. The current number is 4000013930.

**6. If procured through the IT ITQ process, please provide original \$ amount and contract period of order. Is this the final phase of the project?**

N/A

**7. If this is an upgrade, addition, alteration, etc., to an earlier procurement, please describe in detail.**

Requesting the extension of the current contract between HPE and DHS that was originally awarded from proposal 41-08.

**8. What are the consequences of not approving this procurement?**

PA Medicaid would not be able to provide health care services to the almost 3 million MA recipients. Access cards would not be created, services could not be authorized, claim payments could not be processed and MCOs would not receive capitation to cover the managed care services. PROMISe processes over 40 million FFS claims, resulting in \$10 billion in payments; processing over 104 billion MCO encounters; processed approximately \$14 billion in MCO capitation payments; without keeping PROMISe running, we would not be able to provide these services.

**9. If timing is a factor, what is the time factor and why?**

Yes. The current contract expires 10/31/2017, but the new MMIS will not be completely implemented until 2020.

**10. List any other information relevant to the acquisition of this procurement here or as an attachment.**

The goal is to decrease the HPE costs while the new MMIS is being implemented. The new CMS guidelines require a modular approach with agile implementation. Based on these requirements, as the new MMIS modules are implemented, the existing HPE/PROMISe functionality will be discontinued thus decreasing the HPE costs.

**11. For requests > \$100,000, has the supplier signed cost or pricing data certification and is the pricing breakdown attached?**

Extension costs would be negotiated with HPE. Pricing certification attached.

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## SECTION D

**IMPORTANT\*: The printed names on this form shall constitute the signatures of these individuals.** Agencies must insure that these individuals review the completed form and give their consent to apply their printed name on this form. No handwritten signatures shall be required in order for the form to be considered "signed" by those individuals whose names appear in the signature section of the form.

### Shopping Cart Contact Person (Person whom DGS will contact regarding the Shopping Cart):

<b>Name:</b>	Dory McGuire	<b>P-Group:</b>	xx	<b>Date:</b>	12-08-16
<b>Title:</b>	Bureau Director - Data and Cla	<b>Telephone:</b>		<b>Fax:</b>	

### Agency Contact Person: Person in your agency that DGS can contact for additional information, etc.

<b>Name:</b>	Leesa Allen	<b>Title:</b>	OMAP Deputy Secretary	<b>Date:</b>	12-08-16
<b>Telephone:</b>		<b>Fax:</b>		<b>Email:</b>	leallen@pa.gov

### Approving Authority (Agency Head or Deputy reviewing and approving this request): Approving Authority connotes approval of the source justification and the cost or pricing data certification.

<b>Name:</b>	Mac Spicher	<b>Title:</b>	Bureau of Financial Operations Di	<b>Date:</b>	12-21-16
<b>Telephone:</b>		<b>Fax:</b>			

### Additional Approvals (if required by Agency):

<b>Name:</b>	Mac Spiker	<b>Title:</b>	Director, DPCM	<b>Date:</b>	08-02-17
<b>Telephone:</b>		<b>Fax:</b>		<b>Email:</b>	wspiker@pa.gov
<b>Name:</b>	Mac Spiker	<b>Title:</b>	Director, DPCM	<b>Date:</b>	08-02-17
<b>Telephone:</b>		<b>Fax:</b>		<b>Email:</b>	wspiker@pa.gov
<b>Name:</b>		<b>Title:</b>		<b>Date:</b>	
<b>Telephone:</b>		<b>Fax:</b>		<b>Email:</b>	
<b>Name:</b>		<b>Title:</b>		<b>Date:</b>	
<b>Telephone:</b>		<b>Fax:</b>		<b>Email:</b>	
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