ITS Mississippi Department of
Information Technology Services

3771 Eastwood Drive
Jackson, MS 39211-6381
Phone: 601-432-8000
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www.its.ms.gov

Craig P. Orgeron, Ph.D., Executive Director

Notice of Intent to Certify Sole Source

To: Interested Parties

From: Craig P. Orgeron, Ph.D.

CC: ITS Project Number 44699

Date: April 9, 2019

Re: Sole Source Certification Number 4176 to acquire the 3M Core Grouping Software for the Mississippi Department of Correction (MDOC)

Contact Name: Jamekia Hilliard

Contact Phone Number: 601-432-8219

Contact E-mail Address: Jamekia.Hilliard@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 4176 for the acquisition of the 3M Core Grouping Platform that includes Ambulatory Patient Classification (APC) and All Patient Related Diagnosis Related Grouping (APR-DRG) Software, please be advised that ITS intends to award 3M Health Information Systems, Inc., as the sole source provider of 3M Core Grouping Platform through April 30, 2022. The total not-to-exceed cost of the software is $133,244.66. 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:

    The Mississippi Department of Correction (MDOC) requires the use of a software program to determine appropriate billing for incoming outpatient and in-patient Medicaid claims with a specially customized APR-DRG Grouper for Mississippi. 3M's All Patient Refined Diagnosis Related Groups (APR-DRG) Software in the Core Grouping Platform (CGS) is a computerized application that sets a new standard for efficiently and effectively processes claims data. 3M's software is a comprehensive tool that can help in the following areas:
    - **classify patients,**
    - **review coding accuracy,**
    - **evaluate the accuracy and completeness of the clinical data,**
    - **identify potential errors, and**

- calculate the expected reimbursement.

3M helps assess patient outcomes, resource utilization, and quality measures as well as determine fair comparisons of providers, hospitals, or health networks. The Since MDOC reimburses at the Mississippi Medicaid rate, other grouping software engines are not designed to yield the correct pricing based on diagnostic codes for in-patient APR DRG codes and specialty clinic procedure codes that are identical to those included in the Mississippi Medicaid system. 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:

Federal Medicaid rules allow states to bill Medicaid for inpatient services received by Medicaid eligible inmates. When an inmate goes to the clinic or hospital, the State of Mississippi pays a certain rate based the services that the inmate is provided. MDOC has manually processed 5,496 claims (4th Quarter of 2018) and 2,484 claim so far during the 1st Quarter of 2019 manually. The manual claims process is conducted by an individual selecting from a list of predetermine codes. The 3M Core Grouping Platform Software products would automate the claims process.

The All Patient Refined Diagnosis Related Groups (APR-DRG) mainframe grouper will allow MDOC to assign APR-DRGs to inpatient care claims to determine reimbursable billing for inpatient and outpatient specialty care claims. With the software, MDOC can adjust large volumes of data to account for differences related to the individual's severity of illness. 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:

3M is the sole source provider of the standalone version of the following:
- 3M Ambulatory Patient Classification Software in 3M Core Grouping Software
- 3M All Patient DRG Software in 3M Core Grouping software

This 3M software is exclusively marketed, installed, and supported by 3M software. The Vendor's sole source certification letter is included as Attachment B.

Schedule

Task	Date
First Advertisement Date	04/09/19
Second Advertisement Date	04/16/19
Response Deadline From Objectors	04/23/19 at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 04/24/19

Project Details

MDOC will like to acquire 3M Core Grouping Platform with Ambulatory Patient Classification (APC) and All Patient Related Diagnosis Related Grouping (APR-DRG) Software for 3 years.
Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that 3M Core Grouping Platform APC and APR-DRG 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 3M Health Information Systems, Inc.

   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, April 23, 2019, at 3:00 p.m. (Central Time) to Jamekia Hilliard at Jamekia.Hilliard@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 Jamekia Hilliard 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. 4176-44699
Accepted until April 23, 2019 @ 3:00 p.m.,
ATTENTION: Jamekia Hilliard

If you have any questions concerning the information above or if we can be of further assistance, please contact Jamekia Hilliard at 601-432-8219 or via email at Jamekia.Hilliard@its.ms.gov.

Attachment A: Customer Sole Source Certification Request
Attachment B: Vendor Correspondence
Attachment C: Sole Source Procurement Overview

ITS

mississippi department of
Information Technology Services

3771 Eastwood Drive
Jackson, Mississippi 39211
Phone 601-432-8000 Fax 601-713-6380

Sole Source Certification Request

Project Title: Medical Claims Processing Software	Stimulus (ARRA) Funds? Yes___ No X

Customer Contact Information

Agency/Public University: Corrections, Department of **Address:** 633 North State St. Jackson, MS 39202	**Contact Person:** McAfee, Audrey **Phone:** 601 359-5636 **Email Address:** amcafee@mdoc.state.ms.us
MAGIC Customer Number (only required from state agencies): **7000000173 (MS Department of Corrections)**	**Division/Dept:** **Handmail:** ☒ Yes ☐ No

Project Summary *Narrative Description of Project* (include details of original acquisition if applicable):

MDOC pays claims at the same Medicaid rate and needs a software program to determine appropriate billing for incoming claims, outpatient and in-patient. The Mississippi Division of Medicaid uses the 3M software with a specially customized APR-DRG Grouper for Mississippi Medicaid billing.

ITS Acquisition Approval (CP-1) should be effective through this date (Please allow time for all vendor invoices to be paid):

Cost Estimates *Fiscal Year*	*Initial Costs*	*Ongoing Costs*	**Time Constraints** Item Needed by: Funds Expire: 06/30/19	**Anticipated Lifecycle of** **Products/System** (i.e. estimated years of effective use): 3years
FY19		$42,661.00	**Discuss Funding** (e.g. how much of needed funding is definite; total project budget; any matching or other non state funds)	
FY20		$44,187.15	General funded	
FY21		$46,396.51		
Total		$133,244.66		

Acquisition Details

Items Requested	Quantity	Description	Building Location(s)
Licenses	1	Core Grouping Software APC Grouper with Generic HOPD Reimbursement	
Licenses	1	CGS-APR-DRG Grouper Software MS Medicaid	

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:
On premise software solution that allows Medical Compliance Claims processors to use the 3M's APR-DRG Grouper that is customized for and used by the MDOC, facilitating reimbursement to external providers at the Medicaid rate.

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:
Federal Medicaid rules allow states to bill Medicaid for inpatient services received by Medicaid eligible inmates. When an inmate goes to the clinic or hospital, the State of Mississippi pays a certain rate based the services that the inmate is provided. MDOC has manually processed 5,496 claims (4th Quarter of 2018) and 2,484 claim so far during the 1st Quarter of 2019 manually. The manual claims process is conducted by an individual selecting from a list of predetermine codes. The 3M Core Grouping Platform Software products would automate the claims process.

The All Patient Refined Diagnosis Related Groups (APR-DRG) mainframe grouper will allow MDOC to assign APR-DRGs to inpatient care claims to determine reimbursable billing for inpatient and outpatient specialty care claims. With the software, MDOC can adjust large volumes of data to account for differences related to the individual's severity of illness.

Explain why these products or services are the only ones that can meet your needs (include unique features/special functionality):
The Mississippi Department of Correction (MDOC) requires the use of a software program to determine appropriate billing for incoming outpatient and in-patient Medicaid claims with a specially customized APR-DRG Grouper for Mississippi. 3M's All Patient Refined Diagnosis Related Groups (APR-DRG) Software in the Core Grouping Platform (CGS) is a computerized application that sets a new standard for efficiently and effectively processes claims data. 3M's software is a comprehensive tool that can help in the following areas:
* classify patients,
* review coding accuracy,
* evaluate the accuracy and completeness of the clinical data,
* identify potential errors, and
* calculate the expected reimbursement.

3M helps assess patient outcomes, resource utilization, and quality measures as well as determine fair comparisons of providers, hospitals, or health networks. The Since MDOC reimburses at the Mississippi Medicaid rate, other grouping software engines are not designed to yield the correct pricing based on diagnostic codes for in-patient APR DRG codes and specialty clinic procedure codes that are identical to those included in the Mississippi Medicaid system.

Explain why the source is the only entity that can provide the products or services (Include other products/vendors researched or evaluated):
3M is the sole source provider of the standalone version of the following:
* 3M Ambulatory Patient Classification Software in 3M Core Grouping Software
* 3M All Patient DRG Software in 3M Core Grouping software

This 3M software is exclusively marketed, installed, and supported by 3M software.

Vendor's Certification of Sole Source attached: ☒ Yes ☐ No	Vendor's proposal submitted: ☒ Yes ☐ No

MAGIC Vendor Code(s) Vendor must be in MAGIC before a CP-1 can be issued.	
Place Order To	**Remit To**
Vendor Name: 3M Health Information Systems, Inc.	Vendor Name: 3M Health Information Systems, Inc.
Vendor Address: PO Box 844127	Vendor Address: PO Box 844127
Dallas, TX 75284-4127	Dallas, TX 75284-4127

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.

Pelicia Hall, Commissioner
Name (Agency Head or Public University CIO)/Title

Signature   Date

3M Health Information
Systems, Inc.

575 West Murray Boulevard
Murray, UT 84123

3M

March 27, 2019

Mississippi Department of Corrections
633 N. State Street
Jackson, MS 39202

Dear Mississippi Department of Corrections:

3M is the sole source provider of the stand-a-lone version of the following 3M software products:

3M™ Ambulatory Patient Classification Software in 3M™ Core Grouping Software
3M™ All Patient DRG Software in 3M™ Core Grouping Software

This 3M software is exclusively marketed, installed, and supported by 3M. 3M provides training, documentation and implementation services related to the 3M Software.

If you have questions, please contact your 3M Representative, Leah Giordano.

Sincerely,

John C. Mathison
VP of HIS Operations
3M Health Information Systems, Inc.

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.