
Notice of Intent to Certify Sole Source

To: Interested Parties
From: David C. Johnson
CC: ITS Project Number 47317
Date: August 30, 2022
Re: Sole Source Certification Number 4494 to provide criteria software license, clinical content, support, and training for the University of Mississippi Medical Center (UMMC)
Contact Name: Roshunda Mitchell
Contact Phone Number: 601-432-8223
Contact E-mail Address: Roshunda.Mitchell@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 4494 for the University of Mississippi Medical Center (UMMC), please be advised that ITS intends to award Change Healthcare LLC as the sole source provider of criteria software license, clinical content, support, and training through September 25, 2025, in an amount not to exceed \$557,492.94. Please be advised that ITS will determine if additional licenses, enhancements, upgrades, or support are within scope during the certification period and may increase the spending authority accordingly. Should Change Healthcare LLC change their name during this certification period, then ITS will determine if a recertification is necessary. For an explanation regarding Mississippi state law, policy and procedures for sole source procurements, refer to Attachment B: 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:

InterQual® criteria software aligns payers and providers with actionable, evidence-based clinical intelligence to support appropriate care and foster optimal utilization of resources. Criteria are objective and specific to help ensure the most appropriate care and more consistent, defensible decision-making regarding patient care. The condition-specific format presents evidence-based interventions that are specific to the condition and help to improve outcomes cost-effectively. The unique, episode-day structure helps evaluate whether a patient is responding as expected. In the event of complications or a slower-than-expected response to treatment, it recommends interventions. The InterQual® criteria integrates into the Epic Clinical Case Management application.

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

UMMC requires a system that helps maximizes efficiency and reduces costs. As UMMC is called to cover new risk pools (the uninsured and underinsured through health insurance exchanges), it must maintain and improve safety and the quality of care of all clients.

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:

Change Healthcare is the sole manufacturer and authorized supplier of InterQual, including all related Change Healthcare-developed or owned modules, updates, enhancements, and releases. The Vendor's sole source certification letter is included as Attachment A.

4. Explanation of why the amount to be expended for the services is reasonable.

This amount is within the expected price range for these products.

5. Explanation of what the agency did to obtain the best possible price for these services.

Through market intelligence, UMMC was able to negotiate best pricing for these products. All applicable discounts were explored and applied.

Schedule

Task	Date
First Advertisement Date	08/30/22
Second Advertisement Date	09/06/22
Response Deadline From Objectors	09/14/22 at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 09/15/22

Project Details

Purchased in 2014, using then current sole source procedures, from McKesson Health Solutions, LLC, now Change Healthcare Technologies, LLC, UMMC uses the InterQual® criteria software for determining medical necessity and continued stay review for accurate and prompt company reimbursements. In July 2019, ITS issued Sole Source Certification 4220 for InterQual® criteria software license renewal. The total spent to date is \$1,544,965.60

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the criteria software license, clinical content, support, and training 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 Change Healthcare LLC.

- 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 Wednesday, September 14, 2022, at 3:00 p.m. (Central Time) to Roshunda Mitchell at Roshunda.Mitchell@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 Roshunda Mitchell 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. 4494-47317
Accepted until September 14, 2022 @ 3:00 p.m.,
ATTENTION: Roshunda Mitchell

If you have any questions concerning the information above or if we can be of further assistance, please contact Roshunda Mitchell at 601-432-8223 or via email at Roshunda.Mitchell@its.ms.gov.

Attachment A: Vendor Correspondence
Attachment B: Sole Source Procurement Overview



Date August 9, 2022

University of Mississippi
Medical Center
2500 North State Street
Jackson, MS 39216

Attn:
Coordinated Care
Department

P 601-815-2837
F 601-815-2901

RE: Change Healthcare Technologies, LLC Authorized Provider of
Services and Products

Please be advised that Change Healthcare is the sole manufacturer and authorized supplier of InterQual, including all related Change Healthcare-developed or owned modules, updates, enhancements, and releases as described in your software license agreement. The software was developed by Change Healthcare and only Change Healthcare is authorized to supply you with (a) implementation, validation and upgrade services; (b) support and maintenance services; (c) diagnostics and defect analysis; and (d) consulting, education, and training in connection with the software.

Please let me know if you have any questions or if you need additional information.

Sincerely,

Andrew Fischer

Andrew Fischer, Senior Sales Executive

630-842-1775

Andrew.Fischer@changehealthcare.com

cc:

Nick Kallin, Area Vice President Sales, InterQual, South Region

Attachment B

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 A.

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.

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.