Mississippi Department of
Information Technology Services

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David C. Johnson, Executive Director

Notice of Intent to Certify Sole Source

To: Interested Parties

From: David C. Johnson DCJ

CC: ITS Project Number 48166

Date: June 4, 2024

Re: Sole Source Certification Number 4627 to provide Micromedex subscription renewal for the Division of Medicaid (DOM)

Contact Name: Lori Ryan

Contact Phone Number: 601-432-8284

Contact E-mail Address: Lori.Ryan@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 4627 for the Division of Medicaid (DOM), please be advised that ITS intends to award Merative US L.P., as the sole source provider of Micromedex subscription renewal through November 30, 2026, in an amount not to exceed $71,483.93. Please be advised that ITS will determine if additional enhancements, upgrades, or support are within scope during the certification period and may increase the spending authority accordingly. Should Merative US L.P. 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:

   Within the United States, Merative is the sole direct seller of a standalone subset version of "Micromedex" called Drugdex. Through the process established by the Centers for Medicare and Medicaid Services (CMS), Micromedex Drugdex is recognized by CMS as a compendium for the determination of payment for medically-accepted off-label uses for anti-cancer regimens. Micromedex is a suite of databases offering comprehensive drug, disease and toxicology-oriented information for health care professionals and patients. It provides information on medications, dosages, interactions, and side effects. Micromedex software is the only one known to have a rating system to determine non-FDA efficacy and cite detailed studies which can be used to support approval or denial of prior

authorization requests. Micromedex also uniquely provides details that the editorial staff use to verify prior authorizations and appeals. Drugdex provides:

- **Evidence-based knowledge to enable the most appropriate treatment decisions anytime, anywhere.**
- **Options to help standardize patient care across the organization with access to evidence-based content, guidelines, and regulatory information.**
- **Impartial clinical content that can be trusted, updated daily and vetted through an accredited review process.**
- **Information of drug use and approvals from global sources so we can independently assess the information to make informed treatment decisions.**

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

   In accordance with the Omnibus Budget Reconciliation Act (OBRA) of 1990, each State must establish a Medicaid Drug Utilization Review (DUR) Program to assure that prescriptions are appropriate, medically necessary, and are not likely to result in adverse medical results. The program must assess data on drug use against predetermined standards consistent with compendia consisting of the American Hospital Formulary Service Drug Information, the United States Pharmacopeia-Drug Information (or its successor publications), and the DRUGDEX Information System. [42 U.S. Code § 13961396r–8]

   The Mississippi Division of Medicaid's (DOM) Drug Utilization Review (DUR) Board approved the MS DUR's recommendation to adopt policy to approve Prior Authorization requested based on the Thomson Micromedex Efficacy and Strength of Recommendation. DOM utilizes these standards to ascertain approval for non-FDA drug indicators when issuing manual prior authorization (PA) or electronic Smart PA. Class IIb (recommended in some cases) or higher is the criterion for approval of strength of recommendation, and Class IIa (evidence favoring efficacy) or higher is the criterion for efficacy rating. Policies and procedures that are based on this approval criterion have been established by DOM. Moreover, Micromedex is utilized for PA reconsideration and appeals. DOM bolsters its position during those procedures on the standards and evidence based clinical research that is offered only through Micromedex.

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:

   Merative is the sole direct seller of the "Merative Product" within the United States, with no available access via distributors or resellers. The "Merative Product" is a standalone version of "Micromedex" called Drugdex that is not combined with any other commercially available, third party offerings.

   The Vendor's sole source certification letter is included as Attachment A.

Schedule

Task	Date
First Advertisement Date	06/04/24
Second Advertisement Date	06/11/24

Response Deadline From Objectors	06/18/24 at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 06/18/24

Project Details

In 2014, DOM purchased the Truven Health Analytics Inc.'s Micromedex Clinical Knowledge Suite via a sole source procurement for $19,182.46 for one year utilizing then-approved sole source procurement rules.

In April 2016, International Business Machines Corporation (IBM) completed the acquisition of Truven Health Analytics. Beginning August 1, 2018, Truven Health Analytics, an IBM Company, began conducting business as IBM. In 2022, IBM and Merative US L.P. reached an agreement under which Merative US L.P. acquired IBM technology assets and existing client relationships associated with IBM's Watson Health business to form a standalone technology company known as Merative US L.P.

Upon review, DOM found that this Software as a Service subscription should have been under ITS purview. The current subscription expired on November 30, 2023, and DOM wishes to procure the Micromedex subscription for three years. DOM has spent $207,649.40 to date. Including this request, the cumulative total will be $279,133.33.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the Micromedex subscription renewal 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 Merative US L.P.

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, June 18, 2024, at 3:00 p.m. (Central Time) to Lori Ryan at Lori.Ryan@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 Lori Ryan 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. 4627-48166** **Accepted until June 18, 2024 @ 3:00 p.m.,** **ATTENTION: Lori Ryan**

If you have any questions concerning the information above or if we can be of further assistance, please contact Lori Ryan at 601-432-8284 or via email at Lori.Ryan@its.ms.gov.

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

Jill B. Chastant, CMPA, CPM
IT Procurement Officer | Office of Procurement
Mississippi Division of Medicaid
550 High Street, Suite 1000 | Jackson, MS 39201

Dear Jill,

This letter is in response to a request received by Merative from Mississippi Division of Medicaid to provide certain information about the sales and distribution of certain Merative products.

Specifically, Merative sells to Client pursuant to quotation Q-12846 to be executed on or before 3/15/24, as amended from time to time (the "Agreement") a standalone subset version of "Micromedex", called DrugDex that is not combined with any other commercially available, third party offerings when it is made available to Client under the Agreement (collectively, the "Merative Product"). The unique features of the product include distinguished Edititorial department literature reviewed evidence-based information, including Drug Identification and information for Toxicology, Alternative Mediciation, Disease, and Drug Information. Merative is the sole direct seller of such Merative Product within the United States; with, no available access via distributors or resellers.

Regards,
Chad Gauger
Senior Strategic Account Executive
cgauger@merative.com
720-467-8712

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 $75,000 (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.