

State of Maine Procurement Justification Form

This form must accompany ALL contract requests and sole source requisitions (RQS) submitted to the Division of Procurement Services.

INSTRUCTIONS: Please provide the requested information in the white spaces below.

PART I: OVERVIEW			
Department Office/Division/Program:	Maine Health Data Organization		
Department Contract Administrator or Grant Coordinator:	Karynlee Harrington, Executive Director		
(If applicable) Department Reference #:			
Document Amount:	\$ 17,052.47	Advantage CT / RQS #:	20180518*3681
AMENDMENT	Original Start Date:	5/1/2018	Effective Date:
	Previous End Date:	11/30/22	New End Date: No change
GRANT	Project Start Date:		Grant Start Date:
	Project End Date:		Grant End Date:
ALL OTHER	Proposed Start Date:		Proposed End Date:
Vendor/Provider/Grantee Name, City, State:	Human Services Research Institute (HSRI) Cambridge, MA		
Brief Description of Goods/Services/Grant:	Health Data Warehouse Developer		

PART II: JUSTIFICATION FOR VENDOR SELECTION			
Mark an "X" before the justification(s) that applies to this request.			
	A. Competitive Process		G. Grant
X	B. Amendment		H. State Statute/Agency Directed
	C. Single Source/Unique Vendor		I. Federal Agency Directed
	D. Proprietary/Copyright/Patents		J. Willing and Qualified
	E. Emergency		K. Client Choice
	F. University Cooperative Project		L. Other Authorization

PART III: SUPPLEMENTAL INFORMATION
Please respond to ALL of the following:
1. Provide a more detailed description and explain the need for the goods, services or grant to supplement the response in Part I.
<p>For over ten years MHDO has accessed two episode grouping software tools from 3M to calculate a diagnosis related group (DRG) for each hospital inpatient encounter that we then release to authorized MHDO data users with each quarterly release of our hospital inpatient data. A DRG is a system to classify hospital encounters into one of 999 groups. DRGs are assigned by a "grouper" program based on International Classification of Diseases diagnoses, procedures, age, sex, discharge status, and the presence of complications or comorbidities. The software that the MHDO accesses is the APR-DRG and the MS-DRG; both had been available for years at no cost. A cost is now associated with accessing both DRG tools. After discussing the change with the MHDO Data User community, they have agreed and</p>

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PART III: SUPPLEMENTAL INFORMATION

advise that the DRG the MHDO calculates using the MS-DRG is the calculation that must be maintained in future inpatient hospital data releases for continuity; and for specifically longitudinal analysis. The MS-DRG is the least expensive of the two DRG's. It is critical that the MHDO continue to access the MS-DRG and use it to calculate the DRG's for our authorized data users which include research organizations like the Maine CDC, MaineHealth, MaineGeneral the University of Southern Maine and others.

2. Provide a brief justification for the selected vendor to supplement the response in Part II.

MHDO's data vendor has been working with the MS-DRG software for over 6 years and as such has the environment and expertise to use this complex software to produce the calculations for each inpatient encounter. MHDO's data vendor releases on behalf of MHDO quarterly inpatient hospital data files to MHDO authorized users which include the DRG calculations. The MHDO data would not be as valuable to the data user community without the MS-DRG calculation.

The MS-DRG is the most widely used DRG software in the country as it was built on the Medicare population. As stated above a DRG is a system to classify hospital encounters into one of 999 groups. Even if the MHDO or the State had the expertise to develop this type of software, it would not make sense to do so because of the accepted use and understanding of the MS-DRG nationally; that is why the MHDO has been accessing and using this software for over 10 years.

3. Explain how the negotiated costs or rates are fair and reasonable; or how the funding was allocated to grantee.

The MHDO is requesting a waiver of competitive bidding to provide continuity in our quarterly hospital inpatient data releases for our authorized external data users. MHDO's experience to date and our data vendor has confirmed that the cost 3M has quoted for access to the MS-DRG is lower than access to other grouping software tools. Not accessing the MS-DRG creates a risk to our external data users which outweighs the cost associated with accessing the software from 3M. Especially when our data users pay MHDO an annual fee to access our data.

4. Describe the plan for future competition for the goods or services.

The MHDO is requesting a waiver of competitive bidding to provide continuity in our quarterly hospital inpatient data releases for our authorized external data users. MHDO plans to release an RFP during SFY-2021 for Health Data Warehouse vendor. MHDO's experience to date and our data vendor has confirmed that the cost 3M has quoted for access to the MS-DRG is lower than access to other grouping software tools.

PART IV: APPROVALS

Signature of requesting Department's Commissioner (or designee):	<i>By signing below, I signify that I approve of this procurement request.</i>		
	<i>Karynlee Harrington</i>		
Printed Name:	Karynlee Harrington	Date:	8/3/2020
Signature of DAFS Procurement Official:	DocuSigned by: <i>Justin Franzose</i>		
Printed Name:	AEED9C7B3A8044E... Justin Franzose	Date:	8/17/2020

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