



DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES
 OFFICE OF STATE PROCUREMENT SERVICES
 STATE OF MAINE

PROCUREMENT JUSTIFICATION FORM (PJF)

This form must accompany all contract requests and sole source requisitions (RQS) over \$10,000 submitted to the Office of State Procurement Services.

INSTRUCTIONS: Please provide the requested information in the white spaces below. All responses (except signatures) must be typed; no hand-written forms will be accepted. See the guidance document posted with this form on the Procurement Services intranet site (Forms page) for additional instructions.

PART I: OVERVIEW			
Department Office/Division/Program:		Office of MaineCare Services	
Department Contract Administrator or Grant Coordinator:		Althea Harris / Storm Dexter	
(If applicable) Department Reference #:		OMS-26-902	
Agency Department Code:	10A	Advantage CT / RQS # :	CT 202509230000OMS26902
Amount: (Contract/Amendment/Grant)		\$ 1,098,264.00	
CONTRACT	Proposed/Original Start Date:	1/1/2026	Proposed/Most Recent End Date: 12/31/2026
AMENDMENT	New Effective Date:		New End Date (if Applicable):
GRANT	Project Start Date:		Grant Start Date:
	Project End Date:		Grant End Date:
Vendor/Provider/Grantee Name, City, State:		Health Management Systems, Inc. New York, NY	
Brief Description of Goods/Services/Grant:		Hospital Credit Balance and Long-Term Care Cost of Care Audits	

PART II: JUSTIFICATION FOR VENDOR SELECTION			
Check the box below for the justification(s) that applies to this request. (Check all that apply.)			
<input type="checkbox"/>	A. Competitive Process	<input type="checkbox"/>	G. Grant
<input type="checkbox"/>	B. Amendment	<input type="checkbox"/>	H. State Statute/Agency Directed
<input checked="" type="checkbox"/>	C. Single Source/Unique Vendor	<input type="checkbox"/>	I. Federal Agency Directed
<input type="checkbox"/>	D. Proprietary/Copyright/Patents	<input type="checkbox"/>	J. Willing and Qualified
<input type="checkbox"/>	E. Emergency	<input type="checkbox"/>	K. Client Choice
<input type="checkbox"/>	F. Higher Education Cooperative Project	<input type="checkbox"/>	L. Other Authorization – RFP Extended

Please respond to ALL of the questions in the following sections.

PART III: SUPPLEMENTAL INFORMATION

1. Provide a more detailed description and explain the need for the goods, services or grant to supplement the response in Part I.

The Department’s Office of MaineCare Services (OMS) is charged with ensuring Medicaid (referred to as MaineCare) is the payer of last resort for claims submitted to OMS on behalf of MaineCare members. Both the Federal Government and the State require Hospital and Long-Term Care Facilities to submit claims for covered services appropriately. This Agreement provides financial Audits to identify and recover overpayments that may have resulted from inaccurate application of MaineCare member cost shares and/or provider billing information. The Provider shall conduct audits through on-site reviews of Hospital and Long-Term Care Facilities’ financial and medical records in Maine, Massachusetts, and New Hampshire. These Third-Party Liability Audits will ensure State and federal dollars are utilized appropriately and in accordance with Medicaid policies.

2. Provide a brief justification for the selected vendor to supplement the response in Part II. Reference the solicitation (RFP/RFA/RFQ) number and the date of award notification, if applicable.

This was a competitive award resulting from RFP# 202006097 which end 12/31/2025. The services are extended as more time is needed to prepare for the new RFP due to the Department’s decision to shift to a Recovery Audit Contractor (RAC) mechanism.

Initial Start Date *	1/1/2021	Initial End Date *	12/31/2022
Renewal 1 Start Date	1/1/2023	Renewal 1 End Date	12/31/2024
Renewal 2 Start Date	1/1/2025	Renewal 2 End Date	12/31/2025

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

Costs were reviewed and scored during the RFP review process to assure best value.

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

The Department is renewing these services and analyzing the changes needed to shift to a Recovery Audit Contractor (RAC) mechanism. The Department intends to issue an RFP (Currently OMS20249 Third Party Liabilities Recoveries) with those adjustments for a 1/1/2027 contract start date.

PART IV: AMERICAN RESCUE PLAN ACT (ARPA) / MAINE JOBS & RECOVERY PLAN (MJRP)

Does this request utilize ARPA/MJRP funds?

Yes, MJRP funds (023) – If Yes, please attach the approved Business Case(s).

Yes, ARPA funds (025) – If Yes, please be aware of the requirements from awarding federal agencies.

No – If No, proceed to Part V.


PART V: CONFLICTS OF INTEREST (COI); CONTRACT WITH THE STATE

Maine law contains Conflict of Interest statutes directed to State Departments, State Officers, and Employees Generally under MRS [Title 5, §18](#) and [§18-A](#), in harmony with MRS [Title 17, §3104](#).

The requesting department signatory understands and acknowledges Maine’s Conflict of Interest statutes.

PART VI: APPROVALS

The signature below indicates approval of this procurement request.

Signature of requesting Department’s Commissioner (or designee):	 <p>Signed by: Debra Downer Grady 5DC6307B8558482...</p>		
Typed Name:	Debra Downer Grady, Deputy Director for Competitive Procurement	Date:	sep-26-2025

PART VII: EMERGENCY – Required only if selecting E. Emergency Justification

The signature below indicates approval by the Commissioner or designee of this procurement request.

Signature of requesting Department’s Commissioner (or designee):			
Typed Name:		Date:	

Signature of DAFS Procurement Official:	 <p>DocuSigned by: David Morris 2A644AF5681F482...</p>		
Typed Name:	David Morris	Date:	10/27/2025

NOI 1020250972 10/27/2025 - 11/02/2025