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| CENTRAL CONTRACTS AND LEGAL SERVICES (CCLS)  **Sole Source Contract Justification** | | TO: | | |
| CONTRACT NUMBER  **2422-56684** | | TODAY’S DATE  **06/06/2024** |
| SELECT CONTRACT SERVICE DESCRIPTION / SUB-OBJECT CODE | | |
| **Contractor Information** | | | | |
| CONTRACTOR’S LEGAL NAME  **Health Care Solutions Inc** | | | TAX IDENTIFICATION (TIN) OR UNIFORM BUSINESS IDENTIFICATION (UBI) NUMBER  **821130800** | |
| ADDRESS  **11410 124th St NE, Suite 291, Kirkland WA 98034** | | | | |
| **Contract Purpose** | | | | |
| **AIDA Healthcare is a database that matches Medicaid clients to potential Medicaid contracted Adult Family Homes and Assisted Living Facilities. ALTSA case managers input client’s information into from CARE into the AIDA database, the information is matched based with potential providers who have current vacancies. Use of AIDA to locate potential providers supports with quicker transitions to residential settings, especially from acute hospitals and Skilled Nursing Facilities.** | | | | |
| **Contract Funding** | | | | |
| FEDERAL FUNDING  **$51,691.95** | STATE FUNDING  **$51,691.95** | | CONTRACT TOTAL  **$103,383.90** | |
| **Contract Dates \* Start Date must be more than 10 business days from date of request to CCLS.** | | | | |
| \*START DATE  **07/01/2024** | | END DATE  **12/31/2024** | | |
| AMENDMENT OPTIONS  **N/A** | | | | |
| **Sole Source Definition and Guidelines**  What is a sole source contract?  “Sole source” means a contractor providing goods or services of such a unique nature or sole availability at the location required that the contractor is clearly and justifiably the only practicable source to provide the goods or services.  (RCW 39.26.0101)  Unique qualifications or services are those which are highly specialized or one-of-a-kind.  Other factors which may be considered include past performance, cost-effectiveness (learning curve), and/or follow-up nature of the required goods and/or services. Past performance alone does not provide adequate justification for a sole source contract. Time constraints may be considered as a contributing factor in a sole source justification however will not be on its own sufficient justification.  Why is a sole source justification required?  The State of Washington, by law and policy, believes competition is the best strategy to obtain the best value for the goods and services it purchases, and to ensure that all interested vendors have a fair and transparent opportunity to sell goods and services to the state.  A sole source contract does not benefit from competition. Thus, the state, through RCW 39.26.010, has determined it is important to evaluate whether the conditions, costs and risks related to the proposal of a sole source contract truly outweigh the benefits of a competitive contract. | | | | |
| **Sole Source Justification** | | | | |
| To expedite CCLS and DES review of this sole source contract, please provide **clear and compelling** answers to the following justification questions. | | | | |
| 1. What is the business need or problem that requires this contract?   **The business need is to facilitate quicker transitions to Medicaid contracted residential settings and to minimize the manual process required by case managers to identify potential settings with current vacancies.**  **In the state of Washington, there are more than 6000 licensed residential care settings, each offering different types of services to clients. The availability of vacancies in these settings can change on daily bases.**  **ALTSA case mangers utilize AIDA to enter information about client’s care needs based on the CARE assessment, along with their preferences. AIDA swiftly searches for providers that align with the client’s preference and have available vacancies. This enables case managers to directly reach out these specific providers identified by AIDA, resulting in faster transitions for the client.**  **AIDA allows case managers to continue to leverage technology, enhance the efficiency of the finding qualified residential providers for clients who opt to transition to such settings. It broadens the range of options available to clients and their family members to ensure a more comprehensive selection process.** | | | | |
| 1. Describe the unique features, qualifications, abilities or expertise of the contractor proposed for this sole source contract.   **AIDA Healthcare incorporates an embedded algorithm within their system that facilitates the matching of Medicaid clients with suitable contracted providers capable of fulling the client’s care requirements and having available vacancies. AIDA ensures compliance with HIPAA regulations, establishing a secure environment for case managers and potential providers to exchange client information. The system regularly updates data from state websites to maintain accuracy regarding licensed facilities and their specialized contracts.**  **This tool aims to pair individuals receiving Medicaid services with appropriate Adult Family Homes and Assisted Living Facilities that can adequately address their long-term care needs. By utilizing client-specific information, the search tool identifies potential providers who can meet those specific care requirements while also having current vacancies.**  **Additionally, residential providers can indicate their preferences and specialties, ensuring that referrals align well with their facility’s capabilities. Ultimately, this search tool significantly enhances the efficiently of locating a qualified residential provider who can meet an individual’s needs effectively.**  **AIDA features Single Sign-On (SSO) functionality, enabling case managers to securely log in, aligning with current policy requirements.** | | | | |
| 1. What kind of market research did the agency conduct to conclude that alternative sources were inappropriate or unavailable? Provide a narrative description of the agency’s due diligence in determining the basis for the sole source contract, including methods used by the agency to conduct a review of available sources such as researching trade publications, industry newsletters and the internet; contacting similar service providers; and reviewing statewide pricing trends and/or agreements. Include a list of businesses contacted (if you state that no other businesses were contacted, explain why not), date of contact, method of contact (telephone, mail, e-mail, other), and documentation demonstrating an explanation of why those businesses could not or would not, under any circumstances, perform the contract; or an explanation of why the agency has determined that no businesses other than the prospective contractor can perform the contract.   **The department has identified a vendor through an RFP process. The vendor will need to complete a security design review which can take a few months to complete. To prevent any disruptions in services to clients and case managers, we are requesting an exception to the ensure uninterrupted service provision.**  **Currently, AIDA serves as the provider, effectively meeting the department’s requirements to connect clients with potential providers and monitor vacancies. AIDA actively involves Medicaid contracted providersby offering them free membership tin their network, allowing updates on provider specialties and real-time monitoring of vacancies.** | | | | |
| 1. What considerations were given to providing opportunities in this contract for small business, including but not limited to, unbundling the goods and/or services acquired.   **The provider meets small business requirements. AIDA is based out of Kirkland, WA, created by a former Adult Family Home. AIDA has an algorithm that targets specific facilities to meet client ‘s needs.**  **• As part of the market research requirements, include a list of statewide contracts reviewed and/or businesses contacted, date of contact, method of contact (telephone, mail, e-mail, other), and documentation demonstrating an explanation of why those businesses could not or would not, under any circumstances, perform the contract; or an explanation of why the agency has determined that no businesses other than the prospective contractor can perform the contract.**  **The department has selected a vendor through an RFP process. The chosen vendor must undergo a security design review, which will take several months. AIDA healthcare is the only existing state contract capable of meeting this need intermittently. This marks the second RFP process int eh past two years. Any new vendor must complete a design review to comply with HIPAA policies. AIDA Healthcare fulfills the department’s requirements by connecting clients with potential providers and monitoring vacancies. AIDA engages Medicaid-contracted providers by offering free network membership, enabling updates on providers specialties, and real-time vacancy monitoring**  **• Per the Supplier Diversity Policy, DES-090-06: was this purchase included in the agency’s forecasted needs report?**  **Yes, Budget office was consulted and confirmed.**  **• Describe what targeted industry outreach was completed to locate small and/or veteran-owned businesses to meet the agency’s need?**  **The department has put out two RFPs to identify potential vendors nationwide who can meet this need. While the ASB is working to complete the security design review and to prevent any disruption to clients services we are requesting to extend AIDA Healthcare.** | | | | |
| 1. Provide a detailed and compelling description that includes qualification of the costs and risks mitigated by contracting with this contractor (i.e., learning curve, follow-up natures)..   **Contracting with AIDA Healthcare offers numerous advantages, including cost-effectiveness and risk mitigation. By partnering with AIDA, organizations can experience significant cost saving while ensuring high-quality care and efficient service delivery.**  **Cost-effectiveness: AIDA services provide cost-effective solution for case management and provider matching. The utilization of their algorithm-driven system streamlines the process, reducing the time and resources required to manually search and contract individual facilities. The automated approach increase efficiency and reduces administrative costs associated with traditional methods of provider selection.**  **Enhanced Accuracy: AIDA regularly updates information from state website to ensure accurate and up-to-date data on licensed facilities and their specialty contracts. The accuracy minizines the risk associated with outdated or incorrect information, reducing the likelihood of potential delays or mismatches in care.**  **Improved Efficiency: The algorithm embedded within AIDA’s system enables efficient matching of Medicaid clients with suitable contracted providers who can meet their care needs and have available vacancies. The streamlined process saves valuable time for case managers, allowing them to focus on providing personalized care and support to clients instead of spending hours manually contacting each facility.**  **Risk Mitigation: AIDA’s adherence to HIPAA compliance ensures that client information is securely shared between information is securely shared between case managers and potential providers. This secure environment mitigates the risk of unauthorized access or data breaches, safeguarding sensitive information and protecting client privacy.**  **Flexibility and Client Choice: AIDA’s search tool takes into account client-specific information, ensuring that the matching process is tailored to individual care needs. By considering preferences and and specialties of residential providers, the tool facilities well-suited referrals that align with the capabilities and preferences of the setting. This emphasis on client choice enhances overall stratification and engagement in the care process.**  **Small Business Expertise: AIDA’s status as a small business, founded by a former Adult Family Home provider, brings valuable industry insights and firsthand experience to the table. Their understanding of the unique challenges and needs of the care industry allows for a more customized and effective approach to provider matching.**  **By contracting with AIDA Healthcare, organizations can reap the benefits of cost effectiveness, accuracy, efficiency, risk mitigation, client choice, and small business expertise. These benefits contribute to a seamless care transition process, improved client outcomes, and optimized resources allocation withing the healthcare system.** | | | | |
| 1. Is the agency proposing this sole source contract because of special circumstances such as confidential investigations, copyright restrictions, etc.? If so, please describe.   **Not applicable.** | | | | |
| 1. Is the agency proposing this sole source contract because of unavoidable, critical time delays or issues that prevented the agency from completing this acquisition using a competitive process? If so, please describe. For example, if time constraints are applicable, identify when the agency was on notice of the need for the goods and/or service, the entity that imposed the constraints, explain the authority of that entity to impose them, and provide the timelines which work must be accomplished.   **Not applicable.**  The department has identified a vendor through an RFP process. The vendor will need to complete a security design review which can take a few months to complete. To prevent any disruptions in services to clients and case managers, we are requesting an exception to the ensure uninterrupted service provision. The current contract is set to expire on 06/30/2024. | | | | |
| 1. The agency proposing this sole source contract because of a geographic limitation? If the proposed contractor is the only source available in the geographical area, state the basis for this conclusion and the rationale for limiting the size of the geographical area selected.   **Not applicable.** | | | | |
| 1. What are the consequences of**not**having this sole source filing approved? Describe in detail the impact to the agency and to services it provides if this sole source filing is **not** approved.   If the sole source for AIDA Healthcare is not approved, there could be a significant disturbance to case management and clients.  Services Disruption: The expiration of the current contract without an approved exemption could result in a disruption for the service provided by AIDA Healthcare. This would mean that case managers and clients would no longer have the access to the efficient matching system offered by ADIA, leading to delays and challenges in finding suitable providers.  Increased Administrative Burden: Without the support of AIDA’s algorithm-driven system, case managers would have to revert to manual methods of searching and contracting individual facilities. This would impose a significant administrative burden on case managers, requiring them to spend more time and resources on provider matching, reducing their capacity to focus on direct client care and support.  Potential Delay in Transition: The absence of AIDA’s streamlined process could lead to delays in transitioning individuals for acute hospitals and nursing home to appropriate care settings. Without the efficient matching and real-time vacancy tracking provided by AIDA, the process of find available providers who meet the specific needs of clients could be prolonged.  Impact on Client Choice: AIDA’s system takes into account client-specific information and preference, allowing for personalized care and increased client choice. Without ADIA, case managers may face difficulties in identifying suitable providers that align with client’s preference and requirements.  Increased Costs: Manual searching and contracting each contracted providers individually without AIDA’s system would likely result in increased costs. The additional time, resources, and administrative efforts required to conduct the provider matching process manually could lead to higher operational expenses for ALTSA.  Considering these potential consequences, approving the sole source for AIDA would be crucial to maintaining the efficiency, accuracy, and continuity of expedited transitions for acute hospitals and nursing homes. | | | | |
| 1. Since competition was not used as the means for procurement, how did the agency conclude that the costs, fees, or rates negotiated are fair and reasonable? Please make a comparison with comparable contracts, use the results or a market survey, or employ other appropriate means calculated to make such a determination.   Given the urgent need for expedited transitions resulting in teh impact on bed availability in acute hospital s nursing homes during the Public Health Emergency, ATLSA, at the time of contract implementation, may not have completed a through comparison of services. However, the agency ensured that the costs, fees, or rates negotiated with AIDA Healthcare were still fair and reasonable through alterative evaluation methods.  ALTSA conducted a market assessment to gain an understanding of prevailing rates and fees charged by similar services providers. Although a comprehensive comparison was not completed, this assessment provided some content for the negotiated cost.  ALTSA evaluated the value and benefits provided by AIDA Healthcare’s service in relation to the negotiated costs. The assessment included factors such as the efficiency gained, improved, transitions, timely care delivery, and positive client outcomes. The agency weighed these benefits against the negotiated rates to determine the fairness and reasonableness of the cost.  ALTSA considered industry standards and best practices regarding pricing structures and fees for similar services. By aligning with the established norms, ALTSA ensured that the negotiation costs were within a reasonable range.  During the contract negotiations, ALTSA engaged in discussion with AIDA Healthcare to arrive at a mutually agreeable pricing arrangement. This process allowed for a collaborative assessment of the costs and fees and ensured that both parties were stratified with the financial terms.  ALTSA sought to strike an appropriate balance between the urgency of the situation and the financial arrangements with AIDA Healthcare | | | | |
| Confirm Program and Contractor agree that the drafted Contract Amendment document is in final form.  If filing is considered late, obtain your Division Director and Fiscal Approvals.  **If the filing is “late” (where the Amendment start date is less than 10 business days from date sent to CCLS for review, approval, and submission to DES), you must also complete and attach the Late Filing Justification form.** | | | | |