

Notice of Intent to Certify Sole Source

To: Interested Parties

From: Dr. Paul Veregge
CIO/CMIO

Date: June 11, 2018

Re: Sole Source Certification Number **SS9075** for **Pathology Billing Services**

Contact Email Address: solesource@umc.edu

Sole Source Certification Award Details

Regarding UMMC Sole Source Certification Number **SS9075** for **Pathology Billing Services**, please be advised that UMMC intends to award the purchase of the Pathology Billing Services to Change Healthcare as the sole source provider of the Pathology Billing Services.

UMMC issues this notice in accordance with Mississippi state law, policy, and procedures for sole source procurements.

Sole Source Criteria

1. Where the compatibility of equipment, accessories, or replacement parts is the paramount consideration (and manufacturer is the sole supplier).
2. Where a sole supplier's item is needed for trial use or testing.
3. Where a sole supplier's item is to be required when no other item will service the needs of UMMC.

Schedule

Task	Date
First Advertisement Date	June 14, 2018
Second Advertisement Date	June 21, 2018
Response Deadline from Objectors	June 28, at 3:00 p.m. Central Time
Notice of Award/No Award Posted	Not before July 3, 2018

Project Details

1. Describe the commodity/service that the agency/institution is seeking to procure:

Change Healthcare (formally operated as McKesson) provides a professional billing function for University Physician clinical pathology department. The unique functionality for the professional component is billing charges with modifiers to carriers, rolling statements to patients and managing the account receivables. Clinical pathology is high volume (9-10 blood test per patient) with low reimbursement (on average @2.00 per test).

2. Explain why the commodity/service is the only one (1) that can meet the needs of the agency/institution:

Change Healthcare bills carriers for services which Pathologist perform. This includes following state and federal guidelines as well as compliance initiatives. Each year we manage the new medical codes (CPT) and ClinLab allowable fees. Change Healthcare created an interface to bill the professional components from the University of Mississippi Medical Center's Epic Electronic Health Record (charges and demographics). Change Health offers trained and experienced pathology account receivables personnel. Change Healthcare also provides a call center for patient issues.

3. Explain why the source is the only person or entity that can provide the required commodity/service:

Change Healthcare does not have any agreements to have their billing services resold through another vendor.

They are not available from any other distributor. See supporting letter from **Change Healthcare**, Attachment A.

4. Explain why the amount to be expended for the commodity/service is reasonable:

The estimated amount to be expended is for the purchase of the Pathology Billing Services is **\$72,000.00**. Total investment to-date will be **\$296,140.00**. This amount is within the expected price range for these products.

5. Describe the efforts that the agency/institution went through to obtain the best possible price for the commodity/service:

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

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the **Pathology Billing Services**, (hereafter, “Products”) should not be certified as a sole source should provide information in the Vendor Form for the State to use in determining whether or not to proceed with awarding the sole source to Change Healthcare. The Vendor Form may be found at <http://www.dfa.state.ms.us/Purchasing/documents/ObjectiontoSoleSourceDetermination.pdf>.

Objections must include the certification in Attachment B.

Comments will be accepted at any time prior to **Thursday, June 28, 2018, at 3:00 p.m.** (Central Time) to solesource@umc.edu. Responses may be delivered via email to solesource@umc.edu. UMMC WILL NOT BE RESPONSIBLE FOR DELAYS IN THE DELIVERY OF RESPONSES. It is solely the responsibility of the Interested Parties that responses reach UMMC on time. Responses received after the deadline and responses that lack all required information will be rejected. UMMC reserves the right to inspect Interested Party’s commodity for comparison purposes.

If you have any questions concerning the information above or if we can be of further assistance, please contact solesource@umc.edu.

Attachment A: Vendor Correspondence

Attachment B: Objection Certification

Attachment B

SUBMITTED IN RESPONSE TO

Sole Source Certification No. SS9075

Accepted until Thursday, June 28, 2018, at 3:00 p.m.

I certify that the information contained in this objection is true and accurate to the best of my knowledge. I understand that UMMC will investigate all statements made in this objection and that any false or misleading information provided may result in adverse action.

Objector Name
Objector's title