**Sole Source Justification for AIHC for MTP 2.0**

***Providing compelling answers to the following questions will facilitate DES’ evaluation.***

Specific Problem or Need

* **What is the business need or problem that requires this contract?**

Under RCW 43.376.020(1), the Washington State Health Care Authority (HCA) is required “to make reasonable efforts to collaborate with Indian Tribes in the development of policies, agreements, and program implementation that directly affect Indian Tribes.”[[1]](#footnote-1) As the single state Medicaid agency, HCA administers the State’s Medicaid State Plan (the State Plan), the officially recognized statement describing the nature and scope of the State's Medicaid program.[[2]](#footnote-2)The State Plan requires HCA to seek advice from Indian Health Service (IHS), Tribes or Tribal organizations under the Indian Self-Determination and Education Assistance Act (ISDEAA), and Urban Indian Organizations, also referred to as Urban Indian Health Programs (UIHPs). These three different provider types are collectively known as Indian Health Care Providers (IHCPs), and HCA partners with the 31 IHCPs in Washington State concerning Medicaid matters having a direct impact on IHCPs.[[3]](#footnote-3)

HCA’s Medicaid Transformation Project renewal (MTP 2.0) is the State's Section 1115 Medicaid demonstration waiver between the HCA and Centers for Medicare and Medicaid Services (CMS). MTP 2.0 continues to allow the State to create and continue to develop projects, activities, and services that improve Washington’s health care system.

MTP 2.0 is expected to continue to have a direct impact on Tribes and IHCPs. Under MTP 2.0, Accountable Communities of Health (ACHs) will be building Community Hubs to provide community-based care coordination services. The first Medicaid Transformation Project (MTP) established ACHs which served as regional coordinating entities. At that time, CMS did not approve a “tribal ACH,” and the American Indian Health Commission (AIHC) served the role of “tribal coordinating entity.”[[4]](#footnote-4)

Under MTP 2.0, CMS approved the ACHs to serve as Community Hubs, and approved the development of a new statewide Native Hub.[[5]](#footnote-5) The Native Hub will support 29 federally-recognized Tribes and IHCPs who either already provide care coordination services or want to begin providing care coordination services. While ACHs have been working on establishing themselves since 2014, the Native Hub is newly authorized and under a tight timeline to develop a new approach to providing statewide community needs through a Native Hub.

The resulting compressed timeline to establish the Native Hub reflects the expectations in the Special Terms and Conditions, the contract between CMS and HCA for MTP 2.0.[[6]](#footnote-6) The establishment of the Native Hub in this compressed timeline will require extensive and trusted relationships. AIHC has those extensive and trusted relationships, the previous knowledge that comes with being the Tribal Coordinating Entity under the first Medicaid Transformation Project and the knowledge of how the Indian health care delivery system intersects with Medicaid.

AIHC is uniquely qualified to help ensure that HCA fulfills the CMS requirements for Native Hub in accordance with the MTP 2.0 compressed timeline.

Sole Source Criteria

* **Describe the unique features, qualifications, abilities or expertise of the contractor proposed for this sole source contract.**

The American Indian Health Commission (AIHC) has a unique role and expertise in the development of health policy in Washington State.

AIHC is one of two non-profit organizations specifically recognized by the State Plan. AIHC is uniquely qualified to perform this contract because it has the necessary relationships with all 29 federally recognized Tribes and two UIHPs in the State. This means that AIHC’s coverage in the State related to tribal advisory services is more comprehensive and as a result, offers a better value to the state.

The other non-profit advisory organization recognized by the State Plan is called the Northwest Portland Area Indian Health Board (NPAIHB). NPAIHB serves the 43 federally recognized Tribes in the states of Washington, Oregon, and Idaho – and focuses primarily on federal legislative concerns, whereas AIHC focuses primarily on state legislative concerns. A distinguishing factor between the two organizations is that NPAIHB does not include support for UIHPs, which are a crucial piece to the Indian health care delivery system in Washington State (in fact, two of 33 federally-recognized UIHPs are located in the State of Washington). Washington and HCA are required to include the UIHPs as they are included in the State Plan.[[7]](#footnote-7)

Since 1994, AIHC’s executive committee, staff, and contractors have developed expertise on the intersection of federal, state, and tribal health policies. AIHC serves as the state’s primary resource for tribal policy development with respect to Qualified Health Plans and Medicare health plans, managed care contracts, providing training for tribal assisters who help tribal members apply for health care in the HealthPlanFinder, and training and technical assistance for maternal and infant health, and emergency preparedness.

AIHC is also unique because there is no other organization with delegate relations with tribal governments and UIHPs, expert knowledge of health policy in both the state and tribal arenas, and organizational resources to help HCA meet its federal and state legal obligations.

* **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. Use DES’ Market Research Template if assistance is needed.**

HCA conducted market research by conducting several internet searches. The first search was for an “organization serving American Indian / Alaska Native in Washington State.” This resulted in four results: AIHC, Northwest Washington Indian Health Board (NWWIHB), Governor’s Office of Indian Affairs (GOIA), and Office of Indian Policy (OIP). NWWIHB does not perform statewide contracts as they work in service to eight federally-recognized Tribes in Whatcom, Skagit, and Snohomish Counties only. GOIA is an office of the Washington State Governor, to help the Governor work with the federally recognized Tribes and does not perform contracts for technical assistance. OIP is an office within the Department of Social and Health Services (DSHS). Neither GOIA nor OIP develop health policy in Washington State and neither are comprised of any delegates of the State’s 29 federally recognized Tribes and two UIHPs. NWWIHB, GOIA and OIP are not capable of performing the contracted work intended here.

The second search was for “organizations with relationships with all Washington tribes”. This search returned a result for a website titled “Washington Tribes.” This is a public education program sponsored by the Washington Indian Gaming Association. This search also returned the School of Environmental and Forest Sciences at the University of Washington (UW), an American Library Association website titled, “Indigenous Tribes of Seattle and Washington,” and the UW Office of Tribal Relations homepage. None of these entities are capable of performing the contracted work intended here.

* **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.**

A search performed of Statewide Contracts on the Department of Enterprise Services (DES) site using the keywords “American Indian,” “Alaskan Native,” “tribe,” and “tribal” did not return any relevant results.

In addition, HCA determined that no businesses other than AIHC can perform the contract because there is no other organization that:

* Was formed by 29 federally-recognized Tribes and that is currently governed by the Tribes;
* Has the policy expertise as it relates to Indian health care purchasing, policy and delivery and the intersection with Washington Tribes’ needs and Medicaid; or
* Understands the role Medicaid plays in fulfilling the federal government’s promise, delivered via signed treaties, to provide health care in perpetuity, known as the Federal Trust Responsibility.
* **Per the Supplier Diversity Policy, DES-090-06: was this purchase included in the agency’s forecasted needs report?**

Yes.

* **Describe what targeted industry outreach was completed to locate small and/or veteran-owned businesses to meet the agency’s need?**

AIHC’s Financial Administrator confirmed that it is a small business with six full-time employees and an annual budget of approximately $2 million.

* **What considerations were given to unbundling the goods and/or services in this contract, which would provide opportunities for Washington small, diverse, and/or veteran-owned businesses. Provide a summary of your agency’s unbundling analysis for this contract.**

The posed statement of work does not allow for unbundling because of the timeline coupled with the required trust and relationships that must be in place for the successful implementation of the Native Hub. Additionally, AIHC is both a small and diverse business, so HCA’s intended contract achieves the policy goals of promoting more State contracting with small and diverse businesses.

* **Provide a detailed and compelling description that includes quantification of the costs and risks mitigated by contracting with this contractor (i.e. learning curve, follow-up nature).**

AIHC’s consultant fee of $200 per hour is below the average cost of $284 per hour for consultants for Washington State. HCA determined this average by reviewing 12 consultant contracts signed by HCA. [[8]](#footnote-8) This consultant fee is for 94.5 hours of work per month for a total of $250,000 a year for 4 years. The proposed statement of work involves extensive in-person outreach and information gathering sustained through 2028. In addition, AIHC will prepare reports to the federal and state governments and to the ACHs, analyzing the potential impacts of MTP 2.0 on the Tribes, IHCPs, UIHPs, and AI/AN populations in each ACH region. The work requires a base of knowledge of ACHs, Tribes, IHCPs and UIHPs that is higher than any other entity could achieve.

* **Is the agency proposing this sole source contract because of special circumstances such as confidential investigations, copyright restrictions, etc.? If so, please describe.**

No.

* **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 within which work must be accomplished.**

No.

* **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.**

Over the past decade, HCA worked extensively with its tribal partners, Tribes and AIHC to move many important bodies of work forward, including: (1) the Washington Indian Health Improvement Act, including the Governor’s Indian Health Advisory Council and Indian Health Reinvestment Account,[[9]](#footnote-9) (2) the first Medicaid Transformation Project, and (3) the first-in-the-nation Tribal Designated Crisis Responder[[10]](#footnote-10). When the Tribes formed AIHC, they envisioned this collective way to engage Washington State on issues relating to health and health care. Denying this sole source would delay vital progress that is being made on Indian health care delivery across the State. If this contract is not approved, HCA may not be able to accomplish MTP 2.0 goals as set forth in the State Plan.

Sole Source Posting

* **Sole Source Posting on Agency Website - Provide the date in which the sole source posting, the draft contract, and a copy of the Sole Source Contract Justification Template were published on your agency’s website.**

November 7, 2024

* + If failed to post, please explain why.
* **Provide the date in which the sole source posting, the draft contract, and a copy of the Sole Source Contract Justification Template were published in WEBS.**

November 7, 2024

* + If failed to post, please explain why.
* **Were responses received to the sole source posting in WEBS?**

To be determined; we will post an updated document after November 22, 2024.

* + If one or more responses are received, list name of entities responding and explain how the agency concluded the contract is appropriate for sole source award.

Reasonableness of Cost

* **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 of a market survey, or employ some other appropriate means calculated to make such a determination.**

Since there is no other organization with both policy expertise and delegate relations with tribal government UIHPs in the State, the average hourly rate (based on their hours per deliverable amount) of $200 per hour is fair and reasonable compared to the average rate of $284 for consultants used by HCA.

1. RCW 43.376.020 Government-to-government relationships – State agency duties (Accessed 10/1/24: https://app.leg.wa.gov/rcw/default.aspx?cite=43.376.020) [↑](#footnote-ref-1)
2. https://www.hca.wa.gov/about-hca/programs-and-initiatives/apple-health-medicaid/what-state-plan#:~:text=A%20State%20Plan%20is%20required,the%20official%20issuances%20of%20DHHS. [↑](#footnote-ref-2)
3. Medicaid State Plan – Numbered Pages: Administering Medicaid Programs, Section 1.4 Tribal Consultation Requirements Under the Social Security Act (Accessed 10/1/24: <https://hca.wa.gov/assets/program/SP-Numbered-Pages-General-Program-Administration.pdf>) [↑](#footnote-ref-3)
4. Attachment H: Indian Health Care Provider Protocol (Accessed 10/1/24: https://hca.wa.gov/assets/program/mtp-approved-tribal-protocol.pdf) [↑](#footnote-ref-4)
5. Washington State Medicaid Transformation Project 2.0, Centers for Medicare and Medicaid Services, Waiver Authority (Accessed 10/1/24: https://medicaid.gov/medicaid/section-1115-demonstrations/downloads/wa-medicaid-transformation-ca-06302023.pdf) [↑](#footnote-ref-5)
6. Same as Footnote 4. [↑](#footnote-ref-6)
7. Same as Footnote 3. [↑](#footnote-ref-7)
8. K5328 Manatt; K5681 MA Cook Corporation; K5844 SPSCC; K6088 Enterprise Strategies; K6090 Exponential Health Tech Advisors, LLC; K6091 Continuum Health IT, LLC; K6092 Mostly Medicaid, LLC; K6093 One Health Insights, LLC; K6094 Online Enterprise, Inc.; K6095 Trillium; K6096 IPCS; K6359 IRA. [↑](#footnote-ref-8)
9. Codified as Chapter 43.71B RCW Indian Health Improvement [↑](#footnote-ref-9)
10. WAC 182-125-0100 (Accessed 10/1/24: https://app.leg.wa.gov/WAC/default.aspx?cite=182-125-0100) [↑](#footnote-ref-10)