### HOUSE OF REPRESENTATIVES THIRTY-SECOND LEGISLATURE, 2023 STATE OF HAWAII

H.B. NO. 978 H.D. 2 S.D. 2 C.D. 1

### A BILL FOR AN ACT

RELATING TO PURCHASES OF HEALTH AND HUMAN SERVICES.

### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to amend the 2 procurement laws relating to the purchase of health and human 3 services to promote procurement efficiency, program success, and government accountability. This Act increases the efficiency of 4 5 short-term treatment purchase of services and changes the small 6 purchase threshold for health and human services. 7 SECTION 2. Section 103F-404, Hawaii Revised Statutes, is 8 amended to read as follows: 9 "[+]\$103F-404[+] Treatment purchase of services. (a) 10 Treatment services may be purchased in accordance with this 11 section if [either or both of] the following circumstances [are 12 applicable: 13 (1) Such services may become necessary from time to time, 14 but cannot be anticipated accurately on an annual or 15 biennial basis; and 16 (2) When deferring treatment until solicitation, provider selection, and contract formation can be completed, 17

# 2023-3414 HB978 CD1 HMS0

H.B. NO. <sup>978</sup> H.D. 2 S.D. 2 C.D. 1

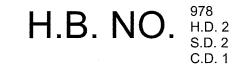
1		the problem needing treatment would be rendered worse
2		than at the time of diagnosis or assessment.
3	Contracts	for treatment services shall be awarded on the basis
4	<del>of demons</del>	trated competence and qualification for the type of
5	<del>service r</del>	equired, and at fair and reasonable prices.] apply:
6	(1)	The need for treatment services is unanticipated and
7		arises from time to time;
8	(2)	The required treatment services are for a one-time
9		purchase of no more than \$100,000 and last no longer
10		than one year;
11	(3)	The treatment services are generally accepted
12		practices by the industry or profession; and
13	(4)	The award of a contract is based on demonstrated
14		competence and qualification for the type of treatment
15		service required and at fair and reasonable prices.
16	(b)	[At a minimum, before the beginning of each fiscal
17	<del>year, the</del>	administrator] The head of the purchasing agency or
18	the purchasing agency's designee shall, at a minimum, publish a	
19	notice describing the types of treatment services that may be	
20	needed throughout the <u>fiscal</u> year on [a periodic] an as-needed	
21	basis and	inviting providers engaged in providing these

# 2023-3414 HB978 CD1 HMSO

### H.B. NO. 978 H.D. 2 S.D. 2 C.D. 1

1 treatment services to submit current statements of qualification 2 and expressions of interest to the [office. The chief 3 procurement officer may specify a uniform format for statements 4 of qualifications.] purchasing agency. Providers may amend 5 these statements by filing an amended or new statement prior to 6 the date designated for submission. 7 (C) The [administrator] head of the purchasing agency or 8 the purchasing agency's designee shall form an initial review 9 committee for each profession, consisting of a minimum of three 10 employees from a state agency or agencies with sufficient 11 education, training, and licenses or credentials to evaluate the 12 statements of qualifications [which] that the [administrator] 13 head of the purchasing agency or the purchasing agency's 14 designee receives in response to the notice published pursuant 15 to subsection (b). The committee shall review and evaluate the 16 submissions and other pertinent information, including 17 references and reports, and prepare a list of qualified 18 providers to provide treatment services during the fiscal year. 19 Providers included on the list of qualified treatment providers 20 may amend their statements of qualifications as necessary or 21 appropriate. Providers shall immediately inform the





1 [administrator] head of the purchasing agency of any changes in
2 information furnished [which] that would disqualify the provider
3 from being considered for a contract award.

4 (d) When the need to purchase treatment <u>services</u> arises,
5 the head of a purchasing agency shall select the provider most
6 qualified to provide the needed treatment <u>services</u> from the list
7 of qualified providers.

8 The head of the purchasing agency  $[\tau]$  or  $[\frac{1}{2}]$  the (e) 9 purchasing agency's designee  $[\tau]$  shall negotiate a contract, 10 including a rate of compensation [which] that is fair and 11 reasonable, established in writing, and based upon the estimated 12 value, scope, nature, and complexity of the treatment services 13 to be rendered, or use the rate established by the 14 [administrator,] head of the purchasing agency, if any. If 15 negotiations fail, upon written notice of an impasse to the 16 provider selected under subsection (d), the head of the 17 purchasing agency shall choose another provider from the list of 18 qualified providers, and conduct further negotiations. 19 Negotiations shall be conducted confidentially.

20 (f) Contracts for treatment <u>services</u> in excess of \$100,000
21 or <u>that last for more than</u> one year shall [be procured using

## 2023-3414 HB978 CD1 HMS0

H.B. NO. <sup>978</sup> H.D. 2 S.D. 2 C.D. 1

1	section 103F-402, competitive purchase of services, unless a
2	waiver of this subsection is approved by the chief procurement
3	officer.] utilize an alternative applicable method of
4	procurement pursuant to section 103F-401."
5	SECTION 3. Section 103F-405, Hawaii Revised Statutes, is
6	amended to read as follows:
7	"[ <b></b>
8	human services [ <del>of less than \$25,000</del> ] <u>for an amount less than</u>
9	the threshold established in section 103D-305(a) for goods and
10	services are small purchases, and shall be made in accordance
11	with [section 103D-305 and] rules adopted by the policy board
12	[to implement that section]."
13	SECTION 4. Statutory material to be repealed is bracketed
14	and stricken. New statutory material is underscored.
15	SECTION 5. This Act shall take effect upon its approval.





### Report Title:

Procurement; Treatment Purchase of Services; Small Purchase Threshold

#### Description:

Transfers certain duties from the administrator of the State Procurement Office to the heads of health and human services purchasing agencies. Changes the small purchase threshold for health and human services. (CD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

