

JUSTIFICATION FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)  
Office of Procurement Acquisition and Logistics  
Technology Acquisition Center  
23 Christopher Way  
Eatontown, NJ 07724
  
  2. Description of Action: The proposed action is for a sole source Firm-Fixed-Price Task Order (TO) to be issued under the Transformation Twenty-One Total Technology Next Generation (T4NG) Contract Number VA118-16-D-1015 with Liberty IT Solutions LLC (referred to herein as Liberty) for technical services, support services, and software from Liberty for the Office of Community Care (OCC) - Revenue Operation's (RO) healthcare revenue business tools.
  
  3. Description of the Supplies or Services: The VA Veterans Health Administration (VHA) OCC - RO Program Management Office has a requirement to ensure VA's RO remains operational. The RO and its seven (7) regionally aligned Consolidated Patient Account Centers (CPACs) rely on the existing workflow management and payer compliance information technology business tools currently maintained by Liberty to provide industry modeled automated technologies to sustain and continuously improve revenue cycle activities in support of healthcare revenue collections. Specifically, under this proposed action, VA requires provisioning, continued development/configuration, modeling, change management, and sustainment of automated revenue operations, workflow management, and payer compliance healthcare revenue business tools. To meet these requirements, the Contractor shall provide technical services to include configuration and modification of existing interfaces for the business tools with current VA legacy systems and processes. In addition, the Contractor shall provide licenses and software maintenance (updates and bug fixes for the software and models) for the MD Clarity Payer Compliance Tool (PCT). Specifically, this will be accomplished by renewing the existing MD Clarity PCT enterprise license. The Contractor shall also provide software maintenance and support (updates and bug fixes for the software) for the Huron Healthcare (Huron) Workflow Management Tool (WFT) licenses. The MD PCT and the Huron WFT provide a combined software suite for VA's OCC RO. The MD Clarity PCT provides scenario modeling of approximately seventy-one (71) insurance carrier agreements, with automatic calculation of expected allowed amounts, provides reports displaying agreements in various views and search capabilities to include adjustment codes, bill type and estimated allowance at the bill, medical center, Veteran's Integrated Service Network and CPAC level. The Huron WFT manages data extracted nightly from each instance of the Veterans Integrated Service Technology Architecture (Vista) and the VHA Financial Service Center (FSC) and is imported into the Huron WFT. Using data extracted from VA sources, the Huron WFT generates workflow items for manual review and distribution to staff, provides an electronic mechanism to assist in the prioritization, distribution, tracking and reporting of daily workload and provides users the ability to sort and communicate work items. The Huron WFT applications have four components. The first enables effective monitoring of the front-end process, including verification of third-party insurance and related authorization or pre-certification activities. The second enables effective claim monitoring, follow-up and account resolution processes. The third includes
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communication regarding resolution of specific encounters across all areas of the CPAC revenue cycle. The fourth enables effective monitoring, communication, and resolution of various 1st party processes, including claims matching, bankruptcies, repayment plans, and aged debt, thereby reducing the potential adverse Veteran first party debt impact.

In addition, the Contractor shall provide healthcare revenue business support services required for continued process improvement of the overall revenue program. These process improvements include; revenue system training support, payer compliance, workflow optimization, and report generation. The Contractor shall also provide insurance carrier modeling, revenue studies and analysis, additional configuration, additional software development, and change management.

The period of performance for this proposed action shall consist of one 12-month base period, two 12-month option periods, and six optional tasks. The base period and option periods shall consist of continuity and maintenance of the current system as well as system training and the development of staffing models and reports. The optional tasks shall include services for additional training requirements, additional insurance carrier modeling, additional revenue studies and analysis, additional change management, and additional software development and/or configuration.

The total estimated value of the proposed action is [REDACTED] (inclusive of options).

4. Statutory Authority: Pursuant to Federal Acquisition Regulation (FAR) 16.505(a)(4), the following brand name requirement is being justified and approved as an exception to fair opportunity under the statutory authority of Section 41 U.S.C. 4106(c)(2) as implemented by FAR 16.505(b)(2)(i)(B), entitled "Only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized".

5. Rationale Supporting Use of Authority Cited Above: The proposed source is Liberty, 2303 Dulles Station BLVD STE 210. No other source, other than Liberty, can meet the Government's requirements as documented below. The original TO was awarded to Liberty as a result of a competitive action under the T4NG Indefinite Delivery Indefinite Quantity (IDIQ) contract. Though this was issued competitively, only one bidder (Liberty) submitted a competitive Task Execution Plan. Liberty is the sole provider for both MD Clarity PCT and Huron WFT. In June 2019, the VA Contract Specialist reached out to MD Clarity and Huron Healthcare to inquire if any sources, other than Liberty, could provide these proprietary solutions. Huron Healthcare responded on June 24, 2019, confirming it has an exclusive teaming arrangement with only Liberty for the services related to VA's requirements. MD Clarity provided a response on July 3, 2019 confirming that MD Clarity has an exclusive agreement with Liberty to deliver the MD Clarity PCT and related services to VA. Therefore, VA requires Liberty to utilize both MD Clarity and Huron Healthcare as subcontractors for this proposed action.

Only the teaming arrangement of Liberty, Huron Healthcare, and MD Clarity can provide the software and services in a manner that will meet requirements for VA. Huron WFT and the MD Clarity PCT are both proprietary tools that are currently integrated in VA systems and processes. These tools are inseparable as the MD Clarity PCT provides a daily file containing claims remittance information utilized by the Huron WFT. The Huron WFT is configured to VA specific data received from the MD Clarity PCT. The data from MD Clarity PCT creates an efficient process that reduces daily workload for the Account Management Payment Analysis area by up to 40% on a weekly basis. The time savings is a result of flagging claims within the Huron WFT that have paid according to their contractually expected amount (calculated by MD Clarity software) and do not require manual review prior to closing out a claim. Additionally, the claim payment and contractually expected reimbursement amount data also allows Account Management staff to prioritize claims with the best opportunity for further reimbursement. These tools provide the required value to VA only as a consolidated suite. Liberty IT provides these tools, and provides overall management of the solution, integration support of this solution with VA systems such as VistA and the Corporate Data Warehouse. If Huron WFT and the MD Clarity PCT were separated, VA would not be able to meet the basic requirements related to VA RO.

The MD Clarity PCT has configured its system for insurance carrier modeling to provide specific standardized reimbursements for each carrier agreement. This modeling has been developed and implemented over the course of several years. These integrations and configurations are inherent to the software and source code of the MD Clarity PCT; use of any other tool would require a complete re-design and re-development effort which includes new integrations to VA systems and new modeling to VA service agreements. If any other brand name software was to be utilized, these payer carrier agreements would have to be remodeled for VA and each insurance carrier, resulting in a duplication of cost estimated at \$3,195,000.00 (estimated \$45,000 per agreement for the 71 agreements already established). Further, re-establishing these modeled agreements is anticipated to take approximately 12-18 months to correctly model all potential reimbursements. These costs are not anticipated to be recuperated through competition. The MD Clarity PCT, most specifically its databases and source code, is proprietary to MD Clarity, and no other source other than MD Clarity or its partners can provide or modify this code which is configured and integrated for VA systems and billing processes. VA currently owns and utilizes the Huron WFT that is only configured to work with the MD Clarity PCT. The existing Huron WFT configuration is proprietary to Huron and cannot be re-configured to work with any other brand name software. Use of any other software other than MD Clarity PCT would require VA replacing the existing Huron WFT software resulting in delivery delays of 24 months and duplicated costs of \$30,000,000.00 that would not be recovered through competition. These estimates are based on previous efforts for similar items.

The Huron WFT is also integrated with VistA and integrated and configured to the MD Clarity PCT insurance modeling. These configurations and integrations are inherent in the Huron WFT. Utilizing a tool other than the Huron WFT would require a complete re-design and re-development effort which includes new integrations to be established

between the new tool, VistA, FSC, and other VA systems. The new tool would need to be configured to VA specific data provided from the MD Clarity tool, and the new tool would have to be configured to VA revenue processes. This would result in 24-36 months of new development, testing, deployment and training resulting in an estimated duplication cost of \$30,000,000.00, which is not anticipated to be recuperated through competition. These estimates are based on previous similar efforts. VA currently owns perpetual licenses for the Huron WFT; however, only Huron Healthcare or a Huron Healthcare partner has access to the proprietary Huron source code for the purposes of maintaining the software and modification/configuration of the software. Access to this code is needed to ensure all the services provided are properly configured.

The Huron WFT and the MD Clarity PCT represent proprietary solutions that are integrated with VA data, legacy systems, VA agreements, business processes and have been customized to scope only those insurances billable by VA. The Huron WFT and the MD Clarity PCT also assists with scoping authorizations unique to VA such as service-connection or other special authority such as agent orange or military sexual trauma. The tools support specialty billing processes unique to VA such as care provided in the community and prosthetic devices. The first-party portion of the Huron workflow tool was built and implemented specifically for VA to assist with the first-party claims matching process. The Veteran Services tool has been expanded to include numerous work drivers across the Veteran Services unit to ensure efficient and timely processing of refunds, account issue resolution and overall improved customer service to Veterans. These integrations, configurations, and payer compliance models are built into the proprietary software of the MD Clarity PCT and Huron WFT and cannot be migrated to any other solution. If a different solution were proposed, these integrations, models and configurations would need to be completely rebuilt. This would result in additional delivery delays and duplicated costs that would not be recovered through competition. During the time required to rebuild these customizations, VA would be unable to efficiently and effectively receive reimbursement, assign work, or effectively perform any type of workforce planning. Further, there is no value in VA adapting a newly built system as it is anticipated that these services will be absorbed by the Electronic Health Record Modernization Program.

VA's current TO with Liberty is set to expire on September 29, 2019. These services provide standardized revenue operations and analysis. Without these services, VA OCC RO staff (primary) will not be able to utilize MD Clarity PCT and Huron WFT in the performance of all revenue cycle and revenue collections, resulting in significant manual processing. Other staff (secondary) who also utilize the products for tracking and reporting will not be able to augment the execution of work, which would then require manual processing to fulfill revenue requirements. Loss of this system will result in decreased collections, higher labor costs and decreased Veteran satisfaction. Revenue collections represent over \$3B annually and these funds are used to support healthcare services to Veterans. Loss of the ability to efficiently process revenue would result in decreased funding and healthcare services for Veterans.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in section 8 of this justification. This effort did not yield any additional sources that can meet the Government's requirements. In accordance with FAR 16.505(a)(4)(iii)(A)(1), this justification will be provided with the solicitation to all appropriate T4NG Prime Contract holders. Furthermore, in accordance with FAR 5.301, 16.505(b)(2)(ii)(D), and 16.505(a)(4)(iii), the award notice for this action will be synopsisized on the Federal Business Opportunities (FBO) website and this justification will be made publicly available within 14 days of award.

7. Actions to Increase Competition: The Government will continue to conduct market research to ascertain if there are changes in the marketplace that would enable future actions to be competed.

8. Market Research: Market research was conducted by posting a draft Performance Work Statement issued under Request for Information (RFI) number 36C10B19Q0494 to the FBO page on 6/14/2019. This RFI sought sources for VA's requirements or potential other commercial solutions that could meet VA's needs. The RFI yielded one response from Liberty. In addition, VA's technical experts reviewed similar software from Cerner Millennium to ascertain if it could meet VA's needs. VA determined this software could not meet VA's needs as outlined in Section 5 of this Justification. Additional research was conducted by contacting the software providers; MD Clarity and Huron Healthcare, to inquire if there are any sources other than Liberty that could provide these proprietary solutions. Huron Healthcare responded on June 24, 2019, confirming it has an exclusive teaming arrangement with Liberty for the services related to the OCC-RO. MD Clarity provided a response on July 3, 2019 confirming that MD Clarity has an exclusive agreement with Liberty to deliver the MD Clarity Payer Compliance system and related services to VA. Based on this market research, VA has determined only Liberty can meet all the requirements necessary for continued support of the OCC-RO's healthcare revenue business tools.

9. Other Facts: None



