



Date: June 27, 2025

To: Potential Offerors

From: H. Frank Schneider, Senior Contracts Manager

Re: **Solicitation Addendum No. 01 to RFP 25-0463 PRN DME PROCUREMENT FOR UNFUNDED PATIENTS AND CARE TRANSITIONS – Presented Questions and Answers.**

This correspondence serves as Solicitation Addendum No. 01 to the subject Request for Proposals ("RFP").

Your response to this RFP should be governed by the content of the original RFP and the revisions / corrections / additions / clarifications provided in this addendum notice.

Please note that the **Proposal Submission Deadline has not changed** and proposals are due no later than **July 8, 2025 by 2:00 P.M. HST**; please submit electronically ([hschneider@hhsc.org](mailto:hschneider@hhsc.org)). If your submission is greater than 25 MB, please email ([hschneider@hhsc.org](mailto:hschneider@hhsc.org)) to arrange a different digital delivery method.

The RFP has been amended as follows:

**Solicitation Addendum No. 01 - Responses to the presented questions are as follows:**

- Q1. Just to confirm, this RFP is strictly for cases where HBMC would become the payor source for a patient who doesn't have insurance (or possibly another reason where insurance won't be covering the DME) and does not impact our current agreement where Apria is the provider of choice for patients discharging with DME (and we bill their insurance) correct?**
- A1. Yes, that is correctly stated.**
- Q2. Please confirm that the existing Preferred Provider Arrangement entered into between Apria and Hawaii Health Systems Corporation on behalf of Kona Community Hospital and Kohala Hospital (dated September 1, 2024) will continue in place and be unaffected by the outcome of the proposed RFP process.**
- A2. Yes, you are referencing two hospitals within the West Hawaii Region. We are all part of The Hawaii Health Systems Corporation, but we are the East Hawaii Region. For the purpose of this agreement, we will operate separately.**
- Q3. While we understand that the RFP involves only the receipt of referrals for unfunded patients, Apria is of the opinion that the RFP is not suitable for "best and final pricing" because it will,**

inevitably, also involve referrals for funded patients, including government program beneficiaries. As such, it could be perceived that the bidder is incentivized to underbid or low bid pricing in the hopes of securing the referrals for funded patients. Apria has extensive experience in entering into unfunded patient arrangements and we ensure fair market value is obtained across all the country with our hospital systems partners, regardless of preferred provider status. Specifically, we have a template agreement that is suitable for this type of arrangement. We had shared this template with Hilo Benioff Medical Center and were in the midst of negotiating the agreement. That is why we were surprised when an RFP was issued. Given the foregoing, our question is in two-parts: a. Will HHSC reconsider using instead Apria's template agreement for unfunded patients in lieu of the General Conditions being presented as Appendix C in the RFP? b. Will HHSC revise the Evaluation Scoring System to de-incentivize the lowest bidder from proposing rates that could be construed to be below fair market value? For example, the number of points available for pricing should be granted in their entirety if the provider provides a representation and warranty that the rates are based on fair market value. - ?

- A3a. As a State of Hawaii agent, we must look at any augmentation to our General Terms and Conditions in a case by case basis. There are some sections in which latitude for change exists and there are other sections to which there is no latitude for change.
- A3b. The scoring system is designed to provide the best value to the East Hawaii Region. As Hilo Benioff Medical Center will be the sole funding source for this service, costs are a factor in the assessment of any provided proposal offer, along with other factors as outlined in the RFP Section 5.3.
- Q4. Would HHSC be willing to modify Section 8 of the General Conditions in Appendix C of the RFP to read as follows: 8. The CONTRACTOR shall defend, indemnify and hold harmless HHSC, the contracting facility, and their directors, employees and agents from and against all liability, loss, damage, cost and expense, including all attorneys' fees and costs, and all claims, suits and demands therefor, arising out of or resulting from any willful misconduct or negligent acts or omissions of the CONTRACTOR or the CONTRACTOR'S employees, officers, agents or subcontractors under this Agreement. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Agreement for any reason.**
- A4. The East Hawaii Region is an entity under HHSC and we are also a state of Hawaii agent. We appreciate the discourse around the General Terms and Conditions, but we must evaluate this in a case by case basis.
- Q5. Will HHSC be willing to incorporate language below as subparagraph (4) under Section 12(c) of the General Conditions to include the following subparagraph (5): (5) Notwithstanding the foregoing, the parties acknowledge and agree that any title of transfer contemplated in this provision shall not apply to equipment provided by CONTRACTOR as "rental only" ` equipment or equipment that CONTRACTOR only provides as rental equipment in its ordinary course of business.**
- A5. At this time, with regard to the General Terms and Conditions, modifications will need to be reviewed on a case by case basis.

- Q6. Will HHSC be willing to confirm that Section 15 of the General Conditions will not apply? Meaning, there are no definite quantities stated or expected.**
- A6. As we review the General Terms and Conditions with the vendor proposal that will be selected, we will review any applicable modifications in a case by case capacity.
- Q7. Will HHSC be willing to acknowledge that under Section 22 of the General Conditions, CONTRACTOR will not be considered the Business Associate given the type of arrangement? In other words, Apria will serve as a healthcare provider to the hospital's patients.**
- A7. The extent of the relationship with the selected vendor proposal will have to be evaluated on a case by case basis. If PHI, in any capacity, is utilized it will likely trigger a BAA.
- Q8. Will HHSC be willing to modify Section 26 of the General Conditions as follows? a. Liens. All products provided under this Agreement shall be free of all liens and encumbrances. b Warranties for products and services. In the event this Agreement is for the provision of products (goods or equipment), CONTRACTOR warrants that it has all rights, title and interest in and to all products sold, leased or licensed to HHSC. CONTRACTOR also warrants that the products shall substantially conform to all descriptions, specifications, statements of work and representations set forth in the Agreement, schedules, publications of CONTRACTOR and/or any order(s), and will be free from defects in materials, performance, workmanship and design. CONTRACTOR further warrants that it will perform any services required with promptness, diligence and in accordance with prevailing standards in the industry to the reasonable satisfaction of HHSC. The Warranty period shall commence after Acceptance, as defined in this Agreement. Any specific warranty periods shall be as set forth in the proposals, schedules, orders or Special Conditions pertaining to this Agreement but in any event such warranty period shall not be less than one (1) year. HHSC acknowledges that CONTRACTOR is not the manufacturer of any products being sold or rented under this agreement. In the event CONTRACTOR sells a product, any transferable manufacturer's warranty shall be transferred by CONTRACTOR to HHSC or the patient, as applicable, but the transfer shall otherwise be without warranty or representation of any nature, warranties of merchantability and fitness for a particular purpose, as well as any other implied warranties, having been expressly disclaimed hereby.**
- A8. We appreciate the desire to make changes to the General Terms and Conditions, however as an agent of the state of Hawaii, it is not always possible to make changes to this document. We will evaluate this with the selected vendor with their proposal submission and assess this and other requests on a case by case basis.
- Q9. Will HHSC be willing to modify Section 18 to acknowledge that CONTRACTOR will be submitting claims in lieu of invoices? Meaning, in lieu of one monthly invoice, CONTRACTOR will be expected to submit individual claims for each product/services provided to an unfunded patient.**
- A9. This seems reasonable given the nature of this business.
- Q10. Will HHSC be willing to acknowledge that Section 29 of the General Conditions will not apply to CONTRACTOR? Apria is of the opinion that it would be providing these products and services as an ancillary healthcare provider to HHSC.**
- A10. This will have to be reviewed on a case by case basis with the selected vendor as we transition through this procurement process. As the sole source for funding these equipment and supplies,

if a manufacture has any rebates or cost saving options, we would expect this to be passed along by the vendor to help create the best possible value for the East Hawaii Region.

**Q11. Will HHSC be willing to strike Section 39 of the General Conditions in its entirety? Apria is of the opinion that it does not apply to the products/services that would be provided. Will HHSC be willing to incorporate, as appropriate, the below provisions as part of the General Conditions? (X) Hospital and Apria hereby specifically acknowledge that they will honor patient freedom-of-choice in the event a patient expresses a preference for a home healthcare provider other than Apria. When Equipment is needed for a Hospital patient, a Hospital representative will explain to the patient (or the patient's parent or guardian) that he or she may choose to obtain such Equipment from any provider of his or her choice. The Hospital representative will ask the patient, parent, or guardian to sign an acknowledgment form, expressing the individual's election to receive Equipment from the provider of his/her choice. Hospital will document each patient's choice of provider using a form of Choice-of-Provider document, an example of which is included as Attachment 1 to this letter**

**A11.** In the assessment of this query, we will likely not strike the section completely, as these are our General Terms and Condition that must be followed. We will review this in a case by case capacity. There does need to be more selected discussion around the data that was raised by this vendor. With choice the patient is selecting DME to seek. In this capacity the patient is being given the DME at no cost. So the process of freedom of choice must be reviewed to determine its applicability to this example.

**Q12. Y) When a patient chooses Apria, Apria will provide Equipment upon the request of Hospital in time to meet the patient's post-discharge needs. In the event Apria advises Hospital that Apria is unable to provide a requested item or service within a reasonable time after it is requested by Hospital, Hospital will not be precluded from requesting such item or service from another supplier. Apria will be available twenty-four (24) hours per day, seven (7) days per week to answer questions and correct problems. If the patient needs Equipment at the time of the patient's discharge from Hospital to the home setting, Apria will arrange to have the needed items available to the patient at the time of the patient's discharge.**

**(Z) For selected patients who are members of the underserved patient populations and who select CONTRACTOR as their home healthcare provider, HHSC will reimburse CONTRACTOR the contracted reimbursement amount for items and services provided to such patients by CONTRACTOR in the home setting. HHSC will consider patients for such reimbursement if the following criteria are met:**

**(i) CONTRACTOR and HHSC are unable to identify a viable payment source for the patient after making good faith efforts to do so, including exploring all available or potential payment sources, such as charitable and public payment sources. For purposes of this provision, Medicaid coverage that is pending approval ("Medicaid-pending") will not be considered to be a viable payment source;**

**(ii) The patient and the patient's family are unable to assume financial responsibility for the Equipment to be provided in the home setting; and**

**(iii) The patient is an appropriate and safe candidate, in CONTRACTOR's sole clinical judgment, for home healthcare services in the home setting.**

**When a patient meets the above criteria and selects CONTRACTOR as the patient's home**

healthcare provider, HHSC may propose to CONTRACTOR to discharge such patient to the home setting. In the event CONTRACTOR accepts such patient for home healthcare services, CONTRACTOR will not be required to obtain any additional authorization from HHSC for such services. CONTRACTOR will bill HHSC the applicable reimbursement amounts, and HHSC will reimburse CONTRACTOR such amounts. The applicable reimbursement amounts for items and services provided to patients in the home setting pursuant to this provision are set forth in [REFERENCE TO APPLICABLE EXHIBIT]. Further, for patients who are Medicaid-pending and require rental items or recurring services, HHSC will: (i) notify CONTRACTOR if/when the patient is approved for Medicaid coverage, and (ii) reimburse CONTRACTOR the applicable reimbursement amounts for such items and services provided to patients in the home setting pursuant to this provision, which amounts as set forth in [REFERENCE TO APPLICABLE EXHIBIT] until such time as the patient is approved for Medicaid and CONTRACTOR is able to obtain any authorizations, paperwork, etc. required for CONTRACTOR to be paid by Medicaid. HHSC will reimburse CONTRACTOR pursuant to [REFERENCE TO APPLICABLE EXHIBIT] for all dates of service up to the date [REFERENCE TO APPLICABLE EXHIBIT] receives notice from HHSC of the patient's Medicaid approval and not the effective date of Medicaid coverage.

A12. Thank you for this very detailed query. We will have to examine this in a case by case basis with the vendors proposal submission that is selected through this RFP process.

\*\*\*\*Except as noted above, the RFP 25-0463 is unchanged.\*\*\*\*