



# Iowa Department of Human Services

Kim Reynolds  
Governor

Adam Gregg  
Lt. Governor

Jerry R. Foxhoven  
Director

June 15, 2018

Waiver approved through 6/30/2019

/s/ Janet E. Phipps

06/18/2018

Janet Phipps, Director  
Department of Administrative Services  
Hoover State Office Building  
1305 East Walnut Street  
Des Moines, IA 50319

Dear Director Phipps:

The Department of Human Services (DHS) is seeking a waiver as described in 11 Iowa Administrative Code (IAC) Section 118.16 (8A) for the Netsmart Software Maintenance Agreement (MHDS 13-027) as it pertains to IAC 118.11 (3) for the six-year limitation on service contracts.

## **Background**

The Netsmart contract is mission critical and provides our Mental Health Institutes (MHIs), State Resource Centers (SRCs), and the Civil Commitment Unit for Sexual Offenders (CCUSO) with electronic healthcare software necessary to support required and mission critical patient care such as admission data, physician order entry, pharmacy and administrative functions.

The first contract with Netsmart Technologies, Inc. was from October 31, 2006 to June 30, 2008. The contract was procured through the formal Request For Proposal (RFP) process and Netsmart was the only bidder. The most recent contract provided the same services with Netsmart's proprietary software and will expire June 30, 2018.

## **Request**

DHS is requesting an 18-month waiver to extend the Netsmart Software Maintenance Agreement contract through December 31, 2019 to coincide with the implementation of a new software maintenance contract.

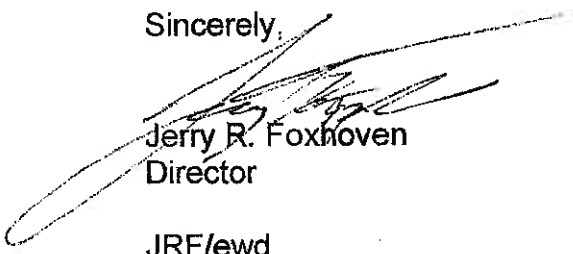
We request this waiver to allow for sufficient time to develop, issue and award an RFP, develop a new contract, implement the selected electronic healthcare software, and to attempt to obtain the significant amount of additional state funding that will be required to obtain and implement a new system.

**Benefits**

The requested 18-month waiver period will allow Netsmart to continue providing critical services while DHS takes the necessary steps to proceed with competitive procurement, including securing the outside expertise needed to write an RFP. Current DHS appropriations/ budget do not support the costs for implementation of a new system as may result from a competitive procurement. The requested waiver period will allow DHS sufficient time to determine and request an appropriate budget, competitively procure the required services, develop a new contract, and conduct the resulting implementation of the selected electronic healthcare software.

DHS respectfully requests a waiver to extend this contract. We appreciate your consideration.

Sincerely,



Jerry R. Foxhoven  
Director

JRF/ewd

Cc: Jean Slaybaugh