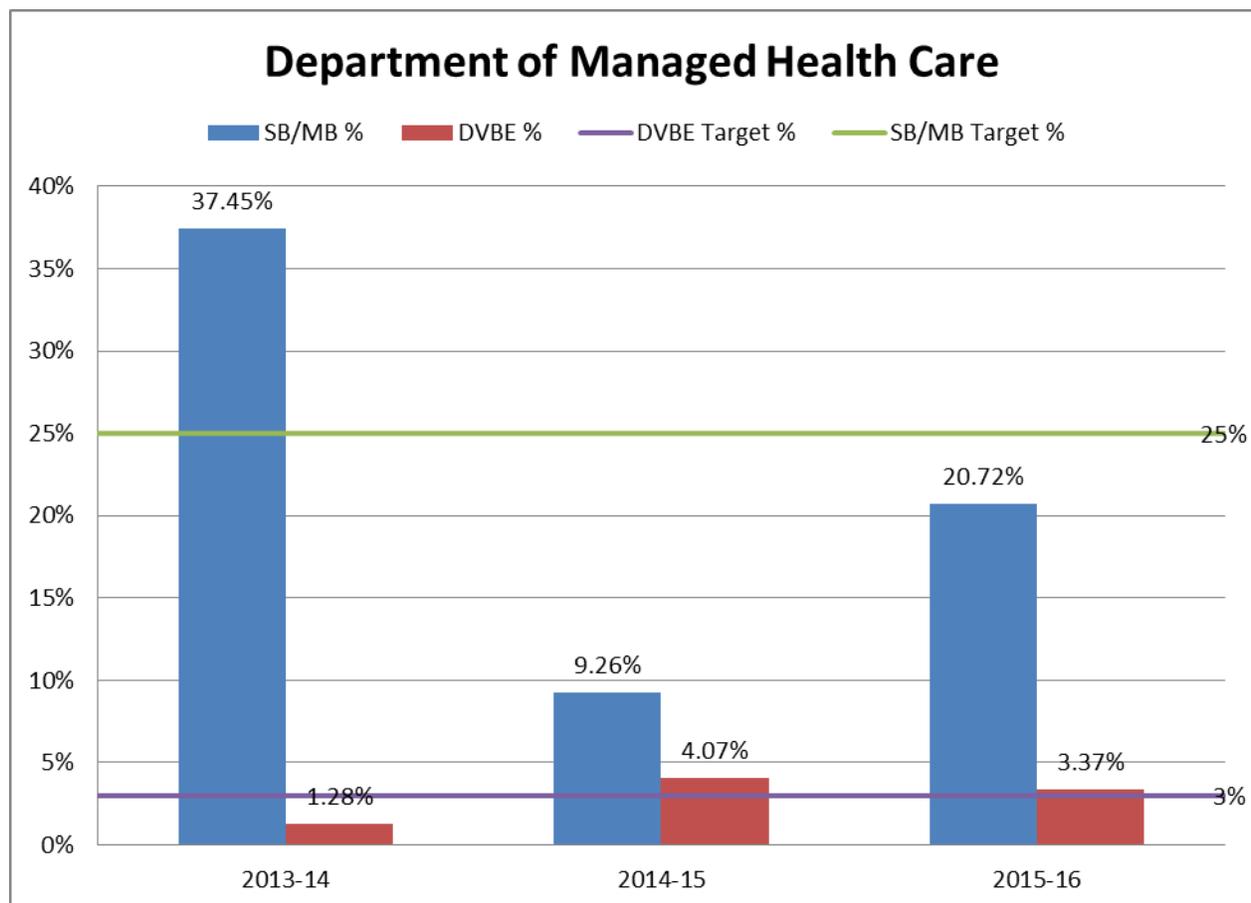


Managed Health Care, Department of			
Fiscal Year	Total Contract Dollars	DVBE Dollars	DVBE %
2013-14	10,830,020	139,064	1.28%
2014-15	12,932,307	525,712	4.07%
2015-16	7,126,155	240,068	3.37%

Managed Health Care, Department of			
Fiscal Year	Total Contract Dollars	SB/MB Dollars	SB/MB %
2013-14	10,830,020	4,056,352	37.45%
2014-15	12,932,307	1,197,488	9.26%
2015-16	7,126,155	1,476,388	20.72%



SB IMPROVEMENT PLAN For FY 2016-17

Prepared by: **Kristy Tuttle, Manager, Business Services Unit
CHHS/Department of Managed Health Care (DMHC)**

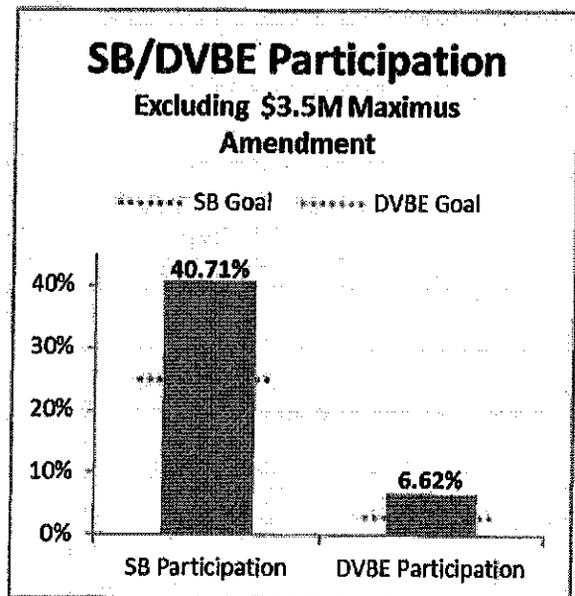
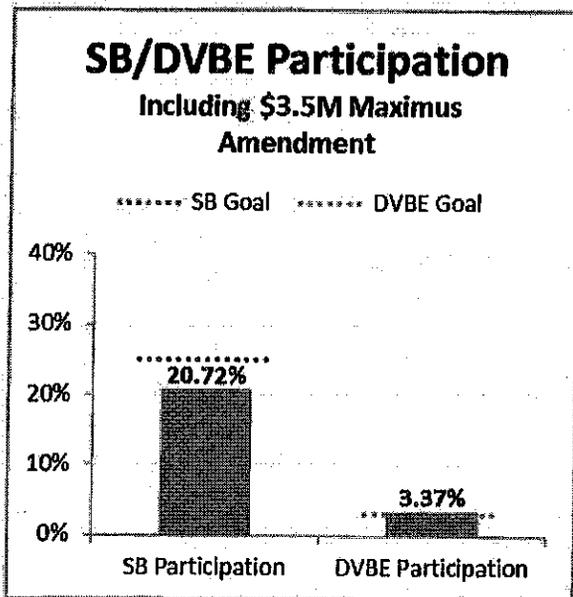
I. Summary of Certified Small Business (SB) Participation

Fiscal Year	Total Contract Dollars	SB/MB Contract Dollars	SB/MB % (25% Goal)
FY 2015-16	\$7,126,155	\$1,476,388	20.72%
FY 2014-15	\$12,932,307	\$1,197,488	9.26%
FY 2013-14	\$10,830,020	\$4,056,352	46.65%

II. Explanation of Why the Goal Was Not Achieved

During FY 2015-16, the DMHC did not meet the Small Business (SB) participation goal due to one amendment executed in May 2016 to a specialized service contract. The DMHC pursuant to the Knox Keene Act (KKA) is required to conduct Independent Medical Reviews. The purpose of these reviews is to provide enrollees an avenue they can pursue when a health care service or treatment has been denied, modified or delayed. These reviews must be conducted by independent doctors that are not part of the enrollees health plan and must be completed within specific timeframes. The KKA provides an exemption for securing such services on a non-competitive bid basis. Unfortunately, SB and Disabled Veterans Business Enterprise (DVBE) prime or sub-contractors simply do not exist for these types of medical services.

The below graphs demonstrate the SB/DVBE participation goals for FY 2015-16 with and without the one Maximus amendment.



The DMHC makes every effort to contract with SB/DVBE vendors for all goods and services, but SB/DVBE vendors are not qualified to perform the specialized services for the KKA contracts. The DMHC is small and the Department's contract dollars are limited. Each time these specialized services are contracted, the SB and/or DVBE requirements will not be met for that year.

DMHC's Plan to Enhance Contracting Opportunities for SBs and DVBEs

A. Policy

The DMHC SB/DVBE Advocate with the help of DMHC Business Management Unit's Contracts and Procurement Analysts will further enforce the SB/DVBE first practice through our annual internal departmental contract and procurement training in an effort to meet future participation goals.

B. Collaborative Efforts

Where possible, the DMHC SB/DVBE Advocate and Contracts and Procurement Analysts will encourage prime contractors to subcontract with certified SB and DVBE businesses when planning to outsource goods or services.

The DMHC SB/DVBE Advocate will work with other departments, specifically in the health care industry, to learn new ways of increasing SB and DVBE participation in service contracts.

C. Contracting Practices

To increase and strongly encourage SB/DVBE participation, the DMHC Contract and Procurement Analysts will continue to triage and identify incoming contracts and procurements to determine which are best suited for SB/DVBE participation.

D. Training

The SB/DVBE Advocate will continue to train Department purchasing staff on the importance of the SB/DVBE first practice. In addition, Department purchasing staff will be provided with updated resources regarding ways to easily identify SB/DVBE vendors to help increase SB/DVBE participation in service contracts.

III. Planning and Advocacy

The DMHC will continue to add S/DVBE vendors to an internal master list by surveying, researching and identifying new contractors and vendors not previously identified. DMHC purchasing staff will attend meetings and internal training sessions in order to keep abreast of any new information regarding SB/DVBE program requirements and/or goals.

V. Continuous Improvement

The DMHC SB/DVBE Advocate will continuously monitor its SB/DVBE participation progress throughout the fiscal year by running a performance measure report each month to determine whether the Department is on track to meet the participation goals. At least each quarter, the DMHC DVBE Advocate will meet with Department purchasing staff to review the current participation progress and work to identify possible opportunities to achieving the SB/DVBE goals.