

Factors to consider when presented with a request for sole source contracting or preferred provider contracting – exclusive of pilots, waivers, or payment innovation models.

DME or Specialty services

Factors	Comments
Stated purpose	Improved cost and stream-lined service with high enrollee/provider satisfaction.
Number of competitors/suppliers	Less than three
Regulatory hurdles for new market entrants	Financial capacity to succeed. Open bids and processes.
Preferred provider	Established through open contractual agreements
Sole source	Would be the lowest cost and most stream-lined process.
Member opt out	Yes
FFS or MC or both	
Payment – per unit	
Payment – per diem	
Payment – capitation	
Payment – salary/flat rate	Flat rate
Delivery method	
Eligibility categories impacted	Sensitivity to the demographics of the patient population
Method for review and approval	Open process with multiple layers of accountability.
Factors monitored	Quality outcomes driven by patient/provider satisfaction
Other	Patient-centered and cost-minded. Contracting with businesses that have demonstrated very high customer(enrollee) satisfaction in a conventional capacity would be allowed to bid on a sole source opportunity. Proven success in a conventional capacity is essential.