

OFFICE OF THE GOVERNOR

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MISSISSIPPI DIVISION OF
MEDICAID

Teselyn Funches, Director
Office of Personal Service Contract Review
501 North West Street, Suite 700 E
Jackson, Mississippi 39201

RE: Section 10.1 Emergency Contract and 10.1.1 Emergency Standard
Mississippi Division of Medicaid and Horne LLP
Consulting for the State's Application for the Rural Health Transformation Program

Dear Ms. Funches:

This letter serves as notification of an emergency procurement by the Mississippi Division of Medicaid (DOM) resulting in an emergency contract greater than \$75,000 pursuant to Sections 10.1 and 10.1.1 of the *Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations*, effective September 6, 2024.

Pursuant to the "Emergency Contract" regulations found at Section 10.1 of the *Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations*, DOM executed a contract with Horne LLP (8400003450) effective August 12, 2025 until December 31, 2025, to provide consultation services to prepare Mississippi's application for the Rural Health Transformation Program, authorized by **Public Law 119-21, Section 71401 of The One Big Beautiful Bill Act**, aiming to secure federal funding to improve rural healthcare access, outcomes, and sustainability within the state.

According to Section 10.1.1 of the *Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations*, "If the Agency Head determines that an emergency exists in regard to the procurement of personal or professional services such that the delay incident to undertaking any other available method of procurement would threaten the health or safety of any person or the preservation or protection of property, then the Agency may contract for personal or professional services using an emergency contract."

Conditions and Circumstances of the Emergency Situation

The State is faced with an urgent and time-sensitive requirement to prepare and submit a comprehensive rural health transformation plan to the Centers for Medicare and Medicaid Services (CMS) no later than December 31, 2025, in accordance with HR 1, Title VII, Subtitle B, Chapter 4, Section 71401. While CMS has outlined the statutory requirements, states are currently awaiting further federal guidance regarding the form, manner, and official submission period for the application. In anticipation of this guidance, the agency is seeking to have a qualified consulting service in place as soon as possible to begin developing strategies, coordinating stakeholders, and preparing the required materials. Because this is a one-time opportunity to secure a share of the \$10 billion in annual federal funding for FFY 2026–2030, and normal procurement timelines would significantly delay planning efforts, emergency contracting is necessary to avoid jeopardizing the State's ability to participate. Given the complexity and scope of the application requirements, including coordination across multiple rural health stakeholders, integration of data and technology-driven solutions, and development of long-term sustainability strategies, the State must urgently procure specialized consulting services to meet federal expectations within the limited timeframe.

Detailed Description of the Events Leading Up to the Emergency Situation

Upon passage of the federal legislation and subsequent issuance of CMS guidance, the agency reviewed internal capacity and determined that existing resources are fully committed to ongoing projects and don't have the

bandwidth to take on this new initiative in such a short timeframe to support the level of planning, stakeholder engagement, data analysis, and technical drafting required. The federal requirements demand a multi-faceted and highly specialized plan that incorporates strategies for improving rural health outcomes, sustaining critical health infrastructure, and leveraging advanced technologies.

DOM considered an Exigent contract; however, delays in the issuance of federal program specifics, combined with the one-time nature of the application and immovable deadline, created a time-sensitive situation. Using standard procurement processes would have resulted in missed milestones and ultimately the loss of critical funding opportunities.

Explanation of Why Agency Head Determined the Health or Safety of a Person or Persons and/or the Preservation and Protection of Property Would be Threatened

The agency head has determined that the health and safety of Mississippi's rural residents—and the preservation of the rural healthcare infrastructure that serves them—are directly at risk without immediate action. Many rural hospitals and healthcare providers are already experiencing financial strain and are at risk of service reduction or closure. The opportunity to secure federal funds through this program could provide critical support to stabilize these facilities, improve access to care, and enhance health outcomes for vulnerable populations.

Failure to meet the application deadline due to procurement delays would forfeit the State's eligibility for hundreds of millions in federal assistance, putting both lives and healthcare infrastructure at further risk. Emergency procurement is necessary to protect these vital resources and ensure continuity of care across rural communities.

Basis for the Selection of the Particular Contractor

Based on review of the submitted responses, Horne LLP was selected by the Mississippi Division of Medicaid's Legislative and External Affairs staff as the awarded vendor. Horne is a qualified, experienced strategic consulting services firm with a dedicated team seasoned in preparing this type of proposal (application)—an asset given the tight deadline. Horne's proposal stood out for its expertise, understanding of the state's specific needs, and a commitment to risk mitigation. Furthermore, Horne demonstrated a deep understanding of Mississippi and its Medicaid system. Notably, the quote response included a 100% rebate if federal funding was not awarded, paired with a competitive price comparable to most other submissions. Horne's quoted response showcased a strong commitment and reduced the financial risk for the state. Horne also provided a clear project plan, an effective method for presenting survey data, and demonstrated readiness to adapt to evolving Centers for Medicare & Medicaid Services (CMS) guidance.

Thank you for your assistance in this matter. If you have any questions, please contact the Office of Procurements at procurement@medicaid.ms.gov.

Sincerely,



Cindy H. Bradshaw
Executive Director