

SUMMARY OF CONTRACT REQUEST TO THE HEALTH COMMISSION

Contractor	<u>Health Management Associates, Inc.</u>	Division/Section	<u>DPH/ Laguna Honda Hospital</u>	DocuSigned by: <i>Greg Wagner</i>	<u>06/01/2022</u>
Address	<u>120 N. Washington Square #705</u>	Chief Operating Officer	<u>Greg Wagner</u>	<i>DS</i>	
	<u>Lansing, MI 48933</u>	DPH Administrator	<u>Baljeet S. Sangha</u>	<i>DS</i>	<u>05/31/2022</u>
Contact	<u>Robert S. Ross</u>	Program Administrator	<u>Troy Williams</u>	Phone	<u>(415) 759-3325</u>
	<u>Principal</u>	Contract Analyst	<u>Robert Longhitano</u>	Phone	<u>(415) 554-2659</u>

Request for approval of a new contract with Health Management Associates, Inc to perform specialized consulting services in support of the Laguna Honda recertification effort. The total proposed contract amount is \$3,782,365 which includes a 12% contingency for the term of May 9, 2022 through June 30, 2023 (14 months).

Profit Non-Profit LBE RFP-Number: _____ Date: _____

_____ New _____ Renewal _____ Mod _____ Sole Source Emergency Contract

Number of years DPH has been doing business with this organization: _____ No current contract prior contracts have expired.

CONTRACT INFORMATION:	Prior Transaction	Proposed Transaction	Annualized Difference*
	New – No Prior Transaction	05/09/2022 – 6/30/2023	
Funding Sources:			
General Fund	-\$0-	\$3,377,113	\$3,377,113
TOTAL DPH REVENUES	-\$0-	\$3,377,113	\$3,377,113
12% Contingency Amount	-\$0-	\$405,252	\$405,252
CONTRACT TOTAL	-\$0-	\$3,782,365	3,782,365
<i>ANNUAL AMOUNT OF CONTRACT</i>	-\$0-	\$2,894,668	\$2,894,668
Agency Funds	-\$0-	-\$0-	-\$0-
Contract FTE	N/A	N/A	N/A

PROPOSED:

Mode(s) of Service & Unit of Service Definition	No. Of Clients	No. of Units	Unit Cost (per hour)
UOS = One Billable Hour			
	N/A Duplicated		
	N/A Unduplicated		
Principal - Physician		632 hours	\$450.00
Managing Principal		370 hours	\$395.00
Principal		3,009 hours	\$385.00
Senior Consultant		4,070 hours	\$315.00
Sub Consultant		646 hours	\$288.00
Travel	Actual		\$320,000

Explanation of Service Change and Variances:

This is a new contract.

Monitoring Report/Program Review & Follow-up:

The contract will be monitored in accordance with all applicable Departmental procedures through the Central Administration Division.

Nondiscrimination and Cultural Competency:

The Contractor will participate in applicable cultural competency requirements.

Emergency Contract: This contract is authorized under section 21.15(c) of the Administrative Code. Authorization Date: 5/2/2022

Other Significant Issues:

Health Management Associates (HMA) has been engaged to: work on two tasks in support of the Laguna Honda Reapplication/ recertification project. Specifically, HMA will perform Task 1 which is a comprehensive assessment of the facility, and Task 2 which consist of the Center for Medicare and Medicaid Services (CMS) Re-Application, Readiness Assessment, and Mock Survey.

Founded in 1985, HMA is a private, for-profit “C” corporation, incorporated in the State of Michigan in good standing and legally doing business as Health Management Associates, Inc. Health Management Associates, Inc. has more than 500 consultants and is still growing. Health Management Associates, Inc. has more than 20 offices across the country, with local expertise in all 50 states plus the District of Columbia and Puerto Rico through HMA State Connect.

The HMA team comes from all sides of the publicly funded healthcare arena Formerly, the team excelled as: State Medicaid directors, mental health commissioners and budget officers; CEO, COO, CFO and other hospital, health system and state-based health insurance marketplace leaders; Managed care executives; Physicians and other clinicians who have run health centers and integrated systems of care—many still practice medicine; Policy advisors to governors and other elected officials; Senior officials from the Centers for Medicare & Medicaid Services (CMS) and the Office of Management & Budget (OMB); Executives of community-based organizations, foundation program directors and civic leaders, university professors, researchers and statisticians, and LGBTQ and HIV community leaders.

Listing of Board of Directors, Owners of 10% or More of the Firm, and Executive Director

Executive Director:

Doug Elwell, Chief Executive Officer

Board of Directors

Jay Rosen, Co-Chairman & Treasurer
Michael Levitt, Co-Chairman
Bruce Gould, Vice President & Secretary
Doug Elwell

Michael Blaszyk
Tim Sheehan
Grant Patrick
Julia Lambert

Owners of 10% or more of the Firm:

HMA Holding Corporation 100% owner of Health Management Associates

The vendor has 8 board members with 0 vacancies.

Recommendation: The Department recommends approval of this contract.