

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

EXH	MOTION <i>Newman</i>
	SECOND <i>Mumford</i>
	ACTION APPROVED BY THE REGENTS
NOTE: SEP 15 2005	

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and University Renal Research Education Association (URREA)

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by DRDA while reviewing the Proposal Approval Form for year two of this project, that then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts of interest was developed by the committee and agreed to by the parties involved in this agreement.

This proposed agreement (Agreement) falls under the State of Michigan Conflict of Interest Statute because Dr. Robert Wolfe is both an employee of the University and a Vice President of Biostatistics for URREA. The law permits such an Agreement provided it is disclosed to the executive officers and approved in advance by a 2/3 vote of the Regents.

Background:

Dr. Robert A. Wolfe, Professor of Biostatistics, School of Public Health, is an employee of the University and has recently accepted a position as an employee of URREA as Vice-President of Biostatistics with a 50% appointment. URREA wishes to have the University participate as a subcontractor under a federal grant that URREA will be receiving.

Nature of the Project:

The Company has applied for and received funding from the Centers for Medicare and Medicaid Services (CMMS). Year two of this proposed project will constitute a subcontract to the University to provide services under the CMMS grant. Dr. Richard A. Hirth, Associate Professor of Health Management and Policy, School of Public Health, will serve as the Principal Investigator on the subcontract at the University. Dr. Wolfe will not participate in this project in his capacity as a University employee.

Agreement Terms:

The terms of the Agreement conform to University policy. The project at the University is to be conducted over an initial twelve (12) month period at an estimated total cost of \$688,250 including indirect cost at the University's

negotiated federal indirect cost rate. The Agreement contains a provision allowing for amendment by mutual agreement of the parties. University procedures for approval of changes will be followed and additional review by the Conflict of Interest Review Committee will be done as appropriate.

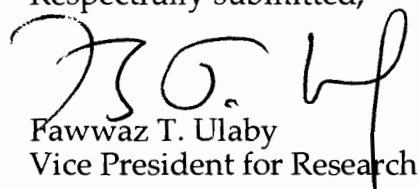
Impact of the Agreement:

The Agreement enables year two of this research project to be performed in order to finalize the design of a demonstration in which dialysis facilities are paid prospectively for a broader bundle of outpatient services than are currently reimbursed through a composite rate. Year one of the project focused on developing possible bundle definitions, measuring resource use associated with each bundle, and developing case-mix adjustment models. Year 2 will allow this work to be continued in order to finalize the design of the demonstration.

Recommendation:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee. In light of the disclosure made in this document and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University entering into this Agreement with University Renal Research Education Association.

Respectfully submitted,



Fawwaz T. Ulaby
Vice President for Research

September 2005