

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Patient Provider Communications, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the Proposal Approval Form. This then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed by this Board and agreed to by the parties involved.

The proposed subcontract agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Dr. Lance Patak is both an employee of the University of Michigan ("University") and partial owner and Chief Executive Officer of Patient Provider Communications, Inc. 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 of the University of Michigan.

Background:

Dr. Patak, House Officer in the Department of Anesthesiology of the Medical School is also a partial owner and Chief Executive Officer of Patient Provider Communications, Inc. (the "Company"). The Company desires to fund a project in the School of Nursing.

Nature of the Agreement:

The Company has received a Phase 2 award from the National Institutes of Health under the Small Business Technology Transfer (STTR) Program for the purpose of developing advanced patient call light system using touch screen technology. The Company wishes to enter into a subcontract with the University to enable Dr. Marita Titler in the School of Nursing to assist in the performance of this funded research.

Agreement Terms:

The terms of the Agreement will conform to University policy. The period of performance for the project is one (1) year and the amount of funding support is \$151,077.

Impact of the Agreement:

The Agreement will support the continuation of the Phase 1 effort by Dr. Tzeng approved by the Regents in July 2010 to support Marita Titler and two student research assistants and use Dr. Titler's expertise and University resources to facilitate

the collection of data, conduct analyses of the data that measure the effectiveness of the system and to enhance further development of the system.

Recommendation:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. In light of this disclosure 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's entering into this Agreement with Patient Provider Communications, Inc.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen Forrest", with a long, sweeping flourish extending to the right.

Stephen R. Forrest
Vice President for Research

October 2012