



NOT-FOR-PROFIT HOSPITAL CORPORATION

2018 JUL -3 PM 12:37

OFFICE OF THE
SECRETARY

July 3, 2018

The Honorable Phil Mendelson
Chairman, Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, N.W.
Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

Enclosed for consideration and approval by the Council of the District of Columbia is Contract No. NFPHC-2018-436-A between the Not-for-Profit Hospital Corporation and GW Medical Faculty Associates, Inc Approval and Payment Authorization Emergency Act of 2018, and Contract No. NFPHC-2018-436-A between the Not-for-Profit Hospital Corporation and GW Medical Faculty Associates, Inc Approval and Payment Authorization Emergency Declaration Resolution of 2018 for the provision of inpatient Hospitalists services ("Contract").

Council action is necessary to approve the FY 18 portion of this Contract (July 1-September 30, 2018) in the amount of \$1,614,227.00, and repeal Council's previous approval of CA22-407, which had a calculation error. Per the contract, the parties will address the FY 19 portion in a subsequent modification.

As always, I am available to discuss any questions you may have regarding this proposed Contract. In order to facilitate a response to any questions you may have, please have your staff contact me at (202) 574-6611. I look forward to a favorable consideration on this measure.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew Hamilton".

Matthew Hamilton
Chief Executive Officer
Not-for-Profit Hospital Corporation

Enclosure



Chairman Phil Mendelson
at the request of the Not-for-
Profit Hospital Corporation

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A RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency with respect to the need to approve Contract No. NFPHC-2018-436-A between the Not-for-Profit Hospital Corporation, commonly known as United Medical Center (“Hospital”), and George Washington University Medical Faculty Associates, Inc., (“GW MFA”) to provide inpatient hospitalists services to the Hospital, to authorize payment for the services received and to be received under the Contract, and to repeal Council approval of the original version of the contract (CA22-407).

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Contract No. NFPHC-436-A between the Not-for-Profit Hospital Corporation and GW Medical Faculty Inc Approval and Payment Authorization Emergency Declaration Resolution of 2018”.

Sec. 2. (a) There exists an immediate need to approve Contract No. NFPHC-436-A (“Revised Contract”) between the Not-for-Profit Hospital Corporation (“Hospital”) and GW MFA, to provide inpatient hospitalists services to the Hospital, to authorize payment for the services received and to be received under this Revised Contract, and to repeal the Original Contract (CA 22-407).

37 (b) The base year of the Original Contract, in the amount of \$3,141,226.00, was
38 deemed approved by Council on March 2, 2018 (CA22-407).

39 (c) On March 16, 2018, however, GW MFA notified the Hospital that the
40 Original Contract's base year amount was incorrect. After discussing the matter at
41 length, the Parties realized that an error was made during negotiations: instead of an
42 arrangement whereby the Hospital would pay GW MFA, monthly, for the cost of
43 inpatient hospitalists services ("GW MFA Hospitalists Services Cost"), and UMC would
44 in return, receive the net revenue earned by GW MFA up to said cost of services
45 ("Hospitalists Net Revenue"), the Parties *inadvertently* used the Net Revenue as the GW
46 MFA Hospitalists Services Cost. This error was not realized until after Council approval
47 of the Original Contract, and after the new Hospital operators, Mazars, began their
48 engagement at the Hospital.

49 (d) To rectify this situation in a way that does not interrupt Hospital operations
50 and the critical patient care being/to be provided by GW MFA, but that also meets the
51 Council's requirements, the Parties agreed to request Council repeal its approval of the
52 Original Contract (CA22-407), and submit a Revised Contract package that would
53 supersede all prior versions.

54 (e) The proposed Revised Contract for inpatient hospitalists services is for three
55 (3) months (July 1 – September 30, 2018) in the amount of \$1,614,2227.00. The Parties
56 agreed to address the FY 19 portion of the base year prior to the expiration of the Revised
57 Contract. If the Parties are unable to reach agreement within sixty calendar (60) days of
58 the expiration of this Revised Contract (FY 18 only), both Parties have the right to
59 terminate the Contract.

60 (f) This Revised Contract has an aggregate value that exceeds \$1 million in a 12-
61 month period, and therefore Council approval is necessary.

62 (g) Emergency approval of this Contract for \$1,614,227.00 is necessary to
63 prevent any impact to the hospital's provision of inpatient hospitalists services.

64 (h) Without this approval, GW MFA cannot be paid for these critical services
65 provided and to be provided in excess of \$999,999.99.

66 Sec. 3. The Council determines that the circumstances enumerated in section 2
67 constitute emergency circumstances making it necessary that Contract No. NFPHC-436-
68 A between the Not-for-Profit Hospital Corporation and GW Medical Faculty Associates,
69 Inc. Approval and Payment Authorization Emergency Act of 2018, be adopted after a
70 single reading.