

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
July 21, 2011

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and the Arbor Research Collaborative for Health

Action Requested: Authorization to enter into the Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Contracts Administration while trying to approve payment of subcontractor's invoice which 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 and approved by this Board and agreed to by the parties involved.

This proposed research Agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Dr. Robert Merion is both an employee of the University of Michigan ("University") and President and a member of the Board of Director's of Arbor Research Collaborative for Health ("ARBOR") and Dr. Robert Wolfe is both an employee of the University of Michigan and Vice President for Biostatistics at ARBOR. 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 Merion, Professor in the Department of Surgery, Division of Transplantation, is the president and a member of the Board of Director's of the ARBOR (the "Company"). Dr. Robert Wolfe, Professor Emeritus of Biostatistics, is the Vice President of Biostatistics at ARBOR. Neither of them are involved in this project. Dr. Richard Hirth, Professor in Internal Medicine and PI on the project, is unaffiliated with the Company. The UM has an existing contract with the Center for Medicare and Medicaid Services (HHSM-500—2006-0048C) that involves the analysis of data from Medicare claims and other Federal sources to inform the development, monitoring, and updating of a prospective payment system for renal dialysis services. Within the past year, they established a subcontract with ARBOR for a part of their research. It is now required that the Regents approve this subcontract in order to pay invoices that have been submitted to UM for work already completed and future work.

Nature of the Agreement:

The Company has subcontracted a portion of the work under this contract to the University, pursuant to University's Proposal No. 07-0736, entitled "End-Stage

Renal Disease Prospective Payment System (ESRD PPS)” and to University’s Proposal No. 09-PAF03350, entitled “Prospective Payment System for Outpatient End Stage Renal Disease Facilities Supplement.” The University’s conduct of this work will be under the direction of Dr. Hirth as Principal Investigator.

Terms of the Agreement:

The terms of the Agreement conform to University policy. The period of performance for the project is 18 months from March 2010 through September 2011. The amount of funding support is \$118,111.

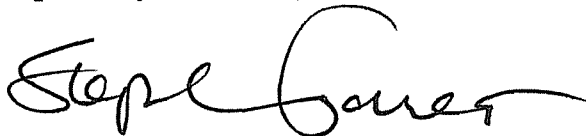
Impact of the Agreement:

The Agreement will enable the University to meet the specific aims originally submitted and approved by the Centers for Medicare and Medicaid Services.

Recommendation:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. In light of the disclosure made in this document and our finding that the Agreement was negotiated in conformance with University practices, I recommend that the Board of Regents approve the University entering into this Agreement with the ARBOR.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stephen R. Forrest
Vice President for Research

July 2011