

The University of Michigan Regents Communication

Request for Action

Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action Requested: Authorization for the University to enter into a proposed agreement with HealthyLifetime Inc. (University of Michigan Employees, partial owners and/or employees.)

Background:

The University of Michigan School of Nursing seeks approval to enter into an agreement with HealthyLifetime Inc. for the purpose of collaboration under a sponsored project.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as HealthyLifetime Inc. is partially owned by, and/or employs, the following University of Michigan employees:

- Kathleen Potempa; Professor, School of Nursing; partial owner
- Susan Butterworth; Administrative Director, School of Nursing; partial owner
- Margaret Calarco; Administrative Director Healthcare, School of Nursing; partial owner
- Marna Flaherty-Robb; Prof Misc. (temp), School of Nursing; partial owner
- Stacia Potempa; Program Manager, School of Nursing; partial owner
- June Lamb; Research Associate, School of Nursing; employee
- Somayeh Molaei; Business Intelligence Analyst, School of Nursing; employee

However, the Statute allows the university to enter into such agreements if the following conditions are met:

- 1) The public servant promptly discloses any pecuniary interest in the contract to the official body which has power to approve the purchase, which disclosure shall be a matter of record in its official proceedings.
- 2) The purchase is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- 3) The official body discloses the following summary information in its official minutes:
 - a) The name of each party involved in the contract.

- b) The terms of the purchase, including duration, financial consideration between the parties, facilities or services of the public entity included in the purchase, and the nature and degree of assignment of employees of the public entity for fulfillment of the purchase.
- c) The nature of any pecuniary interest.

The following information is provided in compliance with the statutory requirements contained in Section (3) above:

- a) The parties to the agreement are the Regents of the University of Michigan and its School of Nursing and HealthyLifetime Inc.
- b) The proposed agreement is for the purpose of collaboration, contingent upon receipt of an anticipated award from the U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services, for a project titled "HEART-HIP: HealthyLifetime Exercise and Resilience Training for High Blood Pressure." If awarded, the anticipated agreement would have a duration of thirty-six (36) months at a total cost not to exceed \$1,752,310. HealthyLifetime Inc. will be supplying all the necessary resources and personnel to fulfill this agreement. The remaining base agreement terms and conditions will comply with appropriate University requirements and are typical for other similar agreements entered into by the Regents. Since projects are often amended, the agreement will include provisions for changes in time, amount and scope.
- c) The pecuniary interest arises from the fact that University of Michigan Employees Kathleen Potempa, Susan Butterworth, Margaret Calarco, Marna Flaherty-Robb, Stacia Potempa, June Lamb, and Somayeh Molaei, are partial owners and/or employees at HealthyLifetime Inc.

Kathleen Potempa, Susan Butterworth, Margaret Calarco, Marna Flaherty-Robb, Stacia Potempa, June Lamb, and Somayeh Molaei have met state law requirements with the disclosure of their pecuniary interest and formal appointment arrangement with the University of Michigan. Requirements, if any, that may be applicable by the supervisors of Kathleen Potempa, Susan Butterworth, Margaret Calarco, Marna Flaherty-Robb, Stacia Potempa, June Lamb, and Somayeh Molaei under the Medical School's or OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the anticipated agreement between the University of Michigan and HealthyLifetime Inc. subject to requirements, if any, that the supervisor of Kathleen Potempa, Susan Butterworth, Margaret Calarco, Marna Flaherty-Robb, Stacia Potempa, June Lamb, and Somayeh Molaei or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,

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

Robert A. Hewlett III

Interim Executive Vice President
and Chief Financial Officer

September 2026