

**SUBMITTED BY:                   STEPHEN M. LANIER, VICE PRESIDENT FOR RESEARCH**

**UNIVERSITY SUBCONTRACT WITH  
AN OUTSIDE ORGANIZATION IN WHICH  
A WAYNE STATE UNIVERSITY EMPLOYEE PARTICIPATES**

**RECOMMENDATION**

The Administration recommends that the Board of Governors authorize the President or his designee to enter into a sub award contract with Health Centers Detroit Foundation Inc. related to the Michigan Area Health Education Center's (MI-AHEC) cooperative agreement held by Wayne State University's School of Medicine. The sub award contract would be for Health Centers Detroit Foundation Inc. to provide host partner services for MI-AHEC's Southeast Regional Center located in Detroit.

**BACKGROUND**

MI-AHEC is a state-wide training and education grant, funded primarily by the U.S. Health Resources and Services Administration, Bureaus of Health Professions. The grant, #U77HP26582 has been held by WSU/SOM since 2010. MI-AHEC programs and services are designed to strengthen Michigan's healthcare workforce by recruiting, training and retaining health professionals committed to increasing access to primary care in urban, rural and underserved communities across Michigan.

MI-AHEC has sought out Health Centers Detroit Foundation Inc. (HCD) as a federally qualified health center look-alike (FQHC), that manages three community health centers that provide primary care services with a staff of 42 and 9 physicians. HCD's president and chief executive officer is Herbert Smitherman M.D., M.P.H., F.A.C.P., a faculty member in Wayne State's School of Medicine.

The principal investigators of the MI-AHEC program, Dr. Tsveti Markova, professor of Family Medicine and Public Health Sciences, and Dr. Ramona Benkert, interim dean and associate professor, College of Nursing, have met and agree that HCD and Dr. Smitherman would be qualified to manage the Southeast Regional Center. Wayne State University does not have any ownership interest in HCD.

Michigan Conflict of interest law requires specific sunshine procedures in order for a University employee, or a company owned by a University employee, to contract directly or indirectly with the University:

A. The employee must disclose any pecuniary interest in the contract to the Board, and the disclosure must be made a matter of record in the Board's proceedings.

B. The contract must be approved by a vote of not less than two-thirds of the full membership of the Board in open session.

C. The Board's minutes must report:

- i. The name of each party involved in the contract.
- ii. The terms of the contract, including duration, financial consideration between parties, facilities or services of the public entity included in the contract, and the nature and degree of assignment of employees of the public entity for fulfillment of the contract.
- iii. The nature of any pecuniary interest.

If the Board of Governors approves this recommendation, the minutes will report as follows:

The Board of Governors authorizes the President or his designee to contract with Health Centers Detroit Foundation Inc. and its president and chief executive officer, Dr. Herbert Smitherman.

- i. The parties involved in the contract are Wayne State University and Health Centers Detroit Foundation, Inc.
- ii. The contract will provide that:
  - a. Health Centers Detroit Foundation Inc. will provide host partner services to MI-AHEC, a state-wide training and education grant, funded primarily by the U.S. Health Resources and Services Administration, Bureaus of Health Professions. These services will include hiring and supporting staff, conducting AHEC programming and providing reporting on all activities.
  - b. The term of this agreement will be May 1, 2021 to August 31, 2021. Upon successful completion of this four-month contract, an annual contract will be issued, (September 1, 2021 through August 31, 2022). Future contracts will be dependent on available funding.
  - c. Financial Consideration: The annual contract award anticipated for the contract in FY 21/22 is \$100,000. An 8% indirect cost rate would be available to Health Centers Detroit Foundation Inc. (\$8,000) to support their costs to provide services.
- iii. Dr. Smitherman pecuniary interest consists of co-ownership of Health Centers Detroit Foundation Inc. He receives no compensation from this contract.