

A RESOLUTION

22-565

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

July 10, 2018

To declare the existence of an emergency with respect to the need to approve Contract No. NFPHC-2018-435-A between the Not-for-Profit Hospital Corporation and George Washington University Medical Faculty Associates, Inc. to provide emergency department services to the United Medical Center, to authorize payment in the amount of \$4,407,762 for the services received and to be received under the contract, and to repeal CA 22-408, the Council approval of Contract No. NFPHC-2018-435.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Contract No. NFPHC-2018-435-A Approval and Payment Authorization Emergency Declaration Resolution of 2018”.

Sec. 2. (a) There exists an immediate need to approve Contract No. NFPHC-435-A (“Revised Contract”) between the Not-for-Profit Hospital Corporation (“Hospital”) and George Washington University Medical Faculty Associates, Inc. (“GW MFA”), to provide emergency department services to the United Medical Center, to authorize payment in the amount of \$4,407,762 for the services received and to be received under the Revised Contract, and to repeal CA 22-408, the Council approval of Contract No. NFPHC-2018-435 (“Original Contract”).

(b) The base year of the Original Contract, in the amount of \$4,309,164, was deemed approved by Council on March 2, 2018.

(c) On March 16, 2018, however, GW MFA notified the Hospital that the base year price for the Original Contract was incorrect. After discussing the matter, the parties to the Original Contract realized that an error had been made during negotiations: instead of an arrangement pursuant to which the Hospital would pay GW MFA, monthly, for the cost of emergency department services (“GW MFA ED Services Cost”), and the Hospital would, in return, receive the net revenue earned by GW MFA up to the cost of services (“ED Net Revenue”), the parties inadvertently used the ED Net Revenue as the GW MFA ED Services Cost. This error was only discovered after the Original Contract had undergone the Council contract approval process and the new Hospital operators, Mazars, began its engagement as the Hospital’s operator.

(d) To avoid disruption to Hospital operations and the critical patient care provided by GW MFA, and meet the Council’s requirements, the parties agreed to request Council repeal of

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its approval of the Original Contract and submit a new contract package that would supersede all prior versions.

(e) The Revised Contract for emergency department services is for the 6-month period from April 1, 2018, through September 30, 2018, in the amount of \$4,407,762. The parties agreed to address the Fiscal Year 2019 portion of the base year prior to the expiration of the Revised Contract. If the parties are unable to reach agreement within 60 calendar days of the expiration of the Revised Contract, both parties have the right to terminate the Revised Contract.

(f) As the aggregate value of the Revised Contract is in excess of \$1 million, Council approval is required pursuant to section 451 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 803; D.C. Official Code § 1-204.51).

(g) Approval is necessary to allow the continuation of these vital services. Without this approval, GW MFA cannot be paid for the goods and services provided in excess of \$1 million for the contract period.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Contract No. NFPHC-2018-435-A Approval and Payment Authorization Emergency Act of 2018 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.