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April 17, 2025

The Honorable Jaime Greene
Anderson House Office Building, Room 999
Lansing, Michigan

Representative Greene:

Enclosed is information you requested related to the Michigan Department of Corrections' (MDOC's) contract for prisoner healthcare services. To develop our answers, we reviewed publicly available contracts, legal information, and obtained expenditures recorded in the State's accounting system from MDOC. Although we have no reason to question the accuracy, we did not audit the expenditure data. Because of the ongoing lawsuit between MDOC and its former contractor, auditing standards preclude us from performing an audit. Therefore, we did not review or audit contract compliance or MDOC's monitoring efforts and did not obtain or review contractor records.

We appreciate the opportunity to assist you in answering questions regarding this topic. If you have further questions, please do not hesitate to contact our office.

Sincerely,

Doug Ringler

Doug Ringler
Auditor General

Enclosures

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Background and Questions and Answers

Background:
The Michigan Department of Corrections (MDOC) has contracted for prisoner healthcare services dating back to 1997, as follows:

Contractor Name*	Contract Period**
Correctional Medical Service	April 1997 through March 2009
Corizon Health Inc.	February 2009 through August 2021
Grand Prairie Healthcare Services, P.C.	April 2021 through May 2024
VitalCore Physicians Group, PLLC	May 2024 through present

* Excludes mental health-only contracts from approximately 2009 through 2016.
** MDOC provided the contract periods.

MDOC's most recent prisoner healthcare contract (contract number 210000000685) became effective April 14, 2021, making the contractor, Grand Prairie Healthcare Services (GPHS), responsible for the general health, psychiatric health, and medication needs of about 32,500 prisoners annually across 27 facilities (see Exhibit 1). In May 2024, GPHS consented to VitalCore Physicians Group, PLLC taking its place as contractor, thereby making VitalCore Physicians Group responsible for carrying out the remainder of the contract (contract number 240000000326). In September 2024, the State filed a formal lawsuit against GPHS and its subcontractor, Wellpath LLC, for breach of contract (see Question 4).

Questions and Answers:

Q1: What were MDOC's requirements for paying GPHS according to the contract?

A1: The contract established a risk share pricing model for prisoner health care and pharmacy services, each consisting of the two following components, generally. See Exhibit 2 for contractor payment and average prisoner cost information and Exhibit 3 for contract pricing schedules.

(1) Base per prisoner per month (PPPM). The base PPPM was paid monthly and was calculated by multiplying an established base rate ($201.80 for contract year 1) by number of prisoners from prisoner census reports. The contract included a fixed annual 3% base PPPM increase to account for inflation. Effective October 1, 2022, the PPPM pricing was modified by contract change notice 2 to reflect an increase or decrease in the midwest medical consumer price index.

(2) Risk share PPPM, relating to specialty services and pharmacy costs. MDOC and GPHS split costs equally in excess of an established risk share base PPPM up to the point where the costs equaled the established cap. All costs in excess of the cap were the responsibility of GPHS. When actual costs were lower than the risk share base PPPM, any savings were shared 85% with MDOC and 15% with GPHS. The risk share PPPM is reconciled on a quarterly basis based on actual paid claims and expenditures paid during the reporting period. Effective October 1, 2022, change notice 2 amended the contract to increase the risk share PPPM by $15.46 for prisoner specialty healthcare costs.

Q2: What were GPHS's requirements for paying providers and subcontractors according to the contract?

A2: GPHS was responsible for payment to:

(1) Subcontractors. GPHS was required to formally disclose subcontractors. GPHS disclosed the following subcontractors: (1) Correct Rx Pharmacy Services, (2) PharmaCorr, LLC (changed from Correct Rx), and (3) Wellpath, LLC for non-clinical administrative services. GPHS was responsible for making all payments to subcontractors.

(2) Healthcare service providers. GPHS was responsible for providing a claims processing software/system and payment of all facility and professional claims incurred for medically necessary services provided to eligible prisoners off site and in MDOC on-site clinics. GPHS was required to remit payment to the provider for clean claims* within 45 calendar days of receipt. All claims paid by GPHS were considered paid in full; there was no balance billing to the State of Michigan or the prisoner. GPHS was required to provide a monthly claims file to MDOC and a monthly report of all claims payments and outstanding claims.

Q3: What State-level monitoring was required by the contract?

A3: The contract outlined two primary monitoring mechanisms:

(1) Service level agreements (SLAs). MDOC outlined 16 SLAs in the contract to assist in monitoring contract performance (see Exhibit 4). The SLAs represented MDOC's expectations as they related to important contract obligations. If SLAs fell below what was acceptable, the contract stated MDOC would issue a corrective action plan (CAP) to GPHS, and the issues must be resolved within 90 days.

(2) A third-party reviewer contract to assist MDOC in assessing services provided under the contract. GPHS was required to provide all requested information (claims, billings, payroll, relevant data, etc.) to the third-party reviewer. Health Management Services was awarded the third-party review contract (contract number 071B6600114) and its review included, but was not limited to, assessment and review of:

- Trends and utilization management.
- Review and enforcement of SLAs.
- Review and monitoring of claims data.
- Site visits related to contractual obligations.
- Service date lag time benchmarks.
- Expected electronic data interchange fail amounts.
- Average paid amount per service, by billing code.
- Duplicate claims.
- Incorrect billing.
- Potential cost avoidance.
- Contractor fraud, waste, and abuse practices.

Q4: What is alleged in MDOC's lawsuit against GPHS and where does the lawsuit stand?

A4: On September 13, 2024, the State filed a formal lawsuit in Ingham County (case number 24-000744-CB) against GPHS and its subcontractor, Wellpath, citing "dismal performance, repeated requests for more money by GPHS, and the failure to pay subcontractors timely."

MDOC states GPHS breached express warranties contained in the contract in three material respects, including (1) failing to deliver claims data to the State in the format required by the contract, (2) promising it had the capital to perform the contracted-for services, and (3) failing to pay off-site healthcare providers for services performed. MDOC alleges GPHS owes off-site healthcare providers, including ambulance providers, approximately $35 million for services already performed. However, MDOC states it does not have the information necessary to know how much is currently outstanding because GPHS has not provided information verifying the amount, nature, and extent of services performed by the various third-party providers despite various requests by the State for this information.

MDOC indicates it suffered consequential damages because of GPHS's refusal to pay third-party service providers. This caused the providers to increase their rates for medical services and thereby drastically increase the rates paid by the State for prisoner health care, making it increasingly difficult to procure third-party medical services at market rates.

In November 2024, Wellpath Holdings, Inc. filed for Chapter 11 bankruptcy protection in the Southern District of Texas (case number 24-90533). A suggestion of bankruptcy* and notice of stay* were filed in the Ingham County lawsuit on November 14, 2024, causing MDOC's lawsuit against GPHS and Wellpath to be put on hold. The bankruptcy court established the deadline for filing proofs of claim* as April 7, 2025 for the general bar date* and May 12, 2025 for the governmental bar date*.

Q5: MDOC contracted with CGL Management Group beginning in April 2024 for healthcare consulting services (contract number 240000000504). What is the purpose of the contract and other significant contract requirements?

A5: MDOC informed us it "sought healthcare consulting services to look at the overall structure of the health care contract. For many years, it has been bid as an integrated contract, and MDOC selected CGL to assess whether the contract could be structured differently. This involves looking at the types of services, the financial structure of the contract, and how the services are provided (e.g., statewide, regional). CGL is also looking at other states and how they manage their health care contracts."

The CGL contract is effective for the three-year period April 1, 2024 through March 31, 2027, with three one-year options, and has an estimated cost of $300,000. The primary purpose of the contract is to:

- Assist in the development of the request for proposal for the prisoner health care and pharmacy services.
- Review and research other states' requests for proposals/contracts for prisoner health care and pharmacy services.
- Research emerging practices in correctional health care and explore models of treatment currently in the community which can be adapted for

the corrections setting, including identifying the pros and cons of the model.

- Evaluate healthcare pricing models and structure of the delivery.
- Assist in the development of performance measures.

The contract required CGL to submit to MDOC, within 14 calendar days of the contract effective date, an initial project plan including the following:

- Timeline of meetings with MDOC staff.
- Plan of research and/or literature review that includes information to be utilized for the scope of work.
- Review and summary of existing healthcare models used by other state corrections departments which include the pros and cons of each model. This should also include a review of other states' existing corrections department contracts.
- Market research of community managed care models that could be used in a correctional setting. Research should include emerging and best practices in the field.
- A report on pricing models used in a correctional and community setting along with recommendations for a model MDOC should utilize. The report should include a cost analysis of the models and a summary of cost effectiveness.
- Draft contract language and requirements.
- Evaluation of current SLAs used in the existing healthcare contract.
- Performance metrics and/or performance incentives that could be used in a new contract.

CGL is required to provide MDOC with weekly status updates and milestone reports including research and project recommendations as required by the MDOC program manager. The MDOC program manager can also request CGL to provide summary presentations of research and recommendations as well as any other needed reports.

Michigan Department of Corrections
Correctional Facilities Map
As of November 2022

Correctional Facilities

1. Baraga Correctional Facility
2. Marquette Branch Prison
3. Alger Correctional Facility
4. Newberry Correctional Facility
5. Chippewa Correctional Facility
5. Kinross Correctional Facility
6. Oaks Correctional Facility
7. Muskegon Correctional Facility
7. Earnest C. Brooks Correctional Facility
8. St. Louis Correctional Facility
8. Central Michigan Correctional Facility
9. Saginaw Correctional Facility
10. Carson City Correctional Facility
11. Ionia Correctional Facility
11. Bellamy Creek Correctional Facility
11. Richard A. Handlon Correctional Facility
12. Thumb Correctional Facility
13. Macomb Correctional Facility
14. Woodland Center Correctional Facility
15. Cooper Street Correctional Facility w/ SAI
15. Charles E. Egeler Reception and Guidance Center
15. G. Robert Cotton Correctional Facility
15. Parnall Correctional Facility
16. Women's Huron Valley Correctional Facility
17. Lakeland Correctional Facility
18. Gus Harrison Correctional Facility
19. Detroit Detention Center

Source: Correctional Facilities Administration, MDOC.

Prisoner Healthcare Services Contract Payment and Per Prisoner Cost Information

2A. Summary of Payments to Prisoner Healthcare Services Contractors

Contractor	Fiscal Year 2021[1]	2022	2023	2024[2]	2025[3]	Total
GPHS, PC	$	$114,669,324	$151,661,825	$ 99,412,409	$	$365,743,558
VitalCore Physicians Group, PLLC				58,345,445	82,981,689	141,327,134
Total	$ 0	$114,669,324	$151,661,825	$157,757,854	$82,981,689	$507,070,692

[1] The contract stated the period from April 14, 2021 through September 28, 2021 would be for transition and implementation; no payments were planned to be paid to the contractor during this period.

[2] Effective February 10, 2024, the GPHS contract was assigned to VitalCore Physicians Group.

[3] This column contains partial fiscal year information from October 1, 2024 through April 1, 2025.

Source: MDOC provided this information from the Statewide Integrated Governmental Management Applications* (SIGMA).

2B. Total Prisoner Population and Average Healthcare Cost Per Prisoner

Fiscal Year	Average Population*	Annual Population Percentage Change	Average Cost Per Prisoner	Annual Healthcare Percentage Change
2000	46,986	2.1%	$ 4,574	6.8%
2001	48,528	3.3%	$ 4,867	6.4%
2002	49,855	2.7%	$ 4,812	(1.1%)
2003	50,561	1.4%	$ 4,810	0.0%
2004	49,179	(2.7%)	$ 4,946	2.8%
2005	48,907	(0.6%)	$ 5,388	8.9%
2006	50,595	3.5%	$ 5,929	10.0%
2007	51,397	1.6%	$ 5,908	(0.4%)
2008	50,577	(1.6%)	$ 6,109	3.4%
2009	48,435	(4.2%)	$ 6,657	9.0%
2010	45,652	(5.7%)	$ 6,963	4.6%
2011	44,262	(3.0%)	$ 6,918	(0.6%)
2012	44,025	(0.5%)	$ 6,611	(4.4%)
2013	44,423	0.9%	$ 6,813	3.1%
2014	44,702	0.6%	$ 6,560	(3.7%)
2015	44,475	(0.5%)	$ 6,484	(1.2%)
2016	43,338	(2.6%)	$ 7,576	16.8%
2017	41,794	(3.6%)	$ 8,899	17.5%
2018	40,235	(3.7%)	$ 9,076	2.0%
2019	39,348	(2.2%)	$ 9,009	(0.7%)
2020	37,046	(5.9%)	$ 9,301	3.2%
2021	33,232	(10.3%)	$ 9,219	(0.9%)
2022	32,224	(3.0%)	$11,012	19.4%
2023	Data not available			
2024	Data not available			

* Based on service population which includes correctional facilities and reentry centers.

Source: The OAG prepared this exhibit based on information obtained from MDOC's annual statistical reports.

Prisoner Healthcare and Pharmacy Services Contract Pricing Schedule

	Contract Year					
	1	2 (Revised)	3 (Updated)	4 (Updated)	5 (Updated)	Total Base Contract Cost
Prisoner Healthcare Services						
Per Prisoner Per Month (PPPM) Breakdown for Healthcare Services						
Specialty Care (on-site and off-site) Cost	$ 85.94	$ 106.72	$ 111.10	$ 114.43	$ 117.86	
Specialty Care Access Fee	7.41	7.87	8.19	8.44	8.69	
Total Specialty Care (risk share base PPPM) Cost	$ 93.35	$ 114.59	$ 119.29	$ 122.87	$ 126.56	
Total On-Site Medical Cost	59.49	63.17	65.76	67.73	69.76	
Total On-Site Behavioral Health Cost	31.09	33.01	34.36	35.39	36.45	
Management Fee	17.87	18.98	19.76	20.35	20.96	
Base PPPM (for prisoner healthcare services)	$ 201.80	$ 229.75	$ 239.17	$ 246.35	$ 253.73	
Total Monthly Base Contract Cost for Prisoner Healthcare Services *(Base PPPM x 32,500*)*	$ 6,558,500.00	$ 7,466,875.00	$ 7,773,025.00	$ 8,006,375.00	$ 8,246,225.00	
Total Annual Base Contract Cost for Prisoner Healthcare Services	$ 78,702,000.00	$ 89,602,500.00	$ 93,276,300.00	$ 96,076,500.00	$ 98,954,700.00	$456,612,000.00
Risk Share Base and Cap Information:						
Risk Share Base PPPM (for prisoner healthcare services)	$ 93.35	$ 114.59	$ 119.29	$ 122.87	$ 126.55	
Risk Share Cap PPPM (for prisoner healthcare services) *(Maximum potential costs to MDOC for Specialty Care)*	$ 120.15	$ 133.05	$ 138.51	$ 142.67	$ 146.95	
Prisoner Pharmacy Services						
Per Prisoner Per Month (PPPM) Breakdown for Pharmacy Services						
Total Pharmacy Staffing at On-Site Pharmacy at DWHC Cost	$ 1.94	$ 2.06	$ 2.14	$ 2.20	$ 2.27	
Total Pharmacy Dispensing Fee (per prisoner not per script) Cost	7.26	7.71	8.03	8.27	8.52	
Total Pharmaceutical Cost	64.63	68.63	71.44	73.58	75.79	
Management Fee	9.30	9.88	10.29	10.60	10.92	
Base PPPM (for pharmacy services)	$ 83.13	$ 88.28	$ 91.90	$ 94.65	$ 97.50	
Total Monthly Base Contract Cost for Pharmacy Services *(Base PPPM x 32,500*)*	$ 2,701,725.00	$ 2,869,100.00	$ 2,986,750.00	$ 3,076,125.00	$ 3,168,750.00	
Total Annual Base Contract Cost for Prisoner Pharmacy Services	$ 32,420,700.00	$ 34,429,200.00	$ 35,841,000.00	$ 36,913,500.00	$ 38,025,000.00	$177,629,400.00
Risk Share Base and Cap Information:						
Risk Share Base PPPM (for pharmacy services)	$ 64.63	$ 68.63	$ 71.44	$ 73.58	$ 75.79	
Risk Share Cap PPPM (for pharmacy services) *(Maximum potential costs to MDOC for Pharmacy Services)*	$ 77.83	$ 82.64	$ 86.03	$ 88.61	$ 91.27	
Total Annual Base Contract Cost for Prisoner Healthcare and Pharmacy Services	$111,122,700.00	$124,031,700.00	$129,117,300.00	$132,990,000.00	$136,979,700.00	$634,241,400.00

* According to the contract, "The Base PPPM is calculated using 32,500 prisoners per month. This number may change and is not a guarantee of number of prisoners needing service."

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Cost Explanation

The costs in the pricing schedule include all costs to provide the services as requested in the contract's Statement of Work, which include:

- Comprehensive healthcare provider services and pharmacy staffing services, inclusive of key and essential personnel for the MDOC prisoner population (on-site medical staffing, on-site behavioral health staffing, and pharmacy staffing) and insurance costs.
- Specialty care (on-site and off-site) inclusive of all out-of-facility medical services ineligible for Medicaid, laboratory, radiology interpretation and off-site radiology, on-site specialty clinics not included in staffing plan, dialysis, and ambulance services, as well as Blue Cross Blue Shield network premiums and access fees.
- Pharmaceutical costs including our estimated drug costs based on the request for proposal requirements.
- Pharmacy dispensing fees including the costs of labor, packaging, shipping, local deliveries, interface, IT monthly support fees, discarded medication charges, and the back-up pharmacy cost overruns for all fills except the staffing costs at DWHC.
- Risk share base and risk share cap for healthcare services include specialty on-site and off-site care as detailed above. The risk share base and cap for pharmacy services include our pharmaceutical costs as detailed above.
- The management fees include:
    - Employee goodwill, education, and scholarships (employee-related expenses that promote professional development and staff retention).
    - Licensure (costs of licensure obtained on behalf of employees).
    - Background checks (pre-employment, criminal background checks, etc.).
    - Recruiting and relocation (expenses associated with identifying and acquiring new talent).
    - Travel (airfare, lodging, meals, mileage reimbursement, parking fees, etc.).
    - Office rental (rental expense of maintaining a local administrative office).
    - IT (cost of IT maintenance and network communications).
    - Telephone (cost of land lines and mobile telephones for management staff).
    - Legal (various site-specific legal costs).
    - Consultants (various clinical and operational consultants who may be engaged to provide training, seminars, etc.).
    - Payroll (cost of third-party payroll services).
    - Overhead and margin (general and administrative [G&A] expenses and reasonable profit).

Source: The OAG prepared this exhibit based on Schedule B (Pricing) in the State of Michigan's contract with GPHS (contract number 210000000685), which was assigned to VitalCore Physicians Group, PLLC in May 2024 (contract number 240000000326).

Prisoner Healthcare Services Contract Service Level Agreements

Health Care					
Number/ Time Frame	**Service Level Agreement**	**Numerator**	**Denominator**	**Minimum Threshold**	**Credits**
1 - Quarterly	Timeliness of prisoner-requested medical provider visits. PD 03.04.100 Health Services Emergent - Seen immediately by qualified health professional. Urgent - No later then next business day. Routine - Written response or seen within 5 business days of request. Assessed at the facility level.	Sample of nursing referrals (urgent, emergent, or routine) that were seen by a provider within the required time frames. Sample size will be determined in the audit tool.	Sample of total nursing referrals. Sample size will be determined in the audit tool.	Year 1 - Credits will be assessed if more than 5% of referrals are seen outside of the required time frame. Subsequent years - Credits will be assessed if more than 2% of referrals are seen outside of the required time frame.	Tier 1: $4,000 Tier 2: $6,000
2 - Quarterly	Transitions of care. Source - Duane Waters Health Center (DWHC) Medical Provider Record Standards Assessed at Statewide level.	Sample of patients seen within required time frames for: a. Hospital discharge - Death or Discharge Summary - Progress note before transfer and dictated summary by end of shift on date of discharge or death. b. Emergency Room discharge - Chart review within 5 business days or appointment no later than next business day. c. Transfer from DWHC - Before patient transfers. d. Transfer from Woodland - Sample size will be determined in the audit tool.	All types of transfers included in the sample. Sample size will be determined in the audit tool.	Year 1 - Credits will be assessed if more than 5% of transfers are seen outside of the required time frame. Subsequent years - Credits will be assessed if more than 2% of transfers are seen outside of the required time frame.	Tier 1: $5,000 Tier 2: $10,000
3 - Quarterly	Diagnostic test (laboratory or radiology) Section 1.0 B.4. m. Assessed at facility level.	Number of patients who received a diagnostic test that was reviewed within two business days from receiving test results.	Number of patients who received a diagnostic test in the month.	Year 1 - Credits will be assessed if less than 90% of diagnostic tests were reviewed outside of the required time frame. Subsequent years - Credits will be assessed if less than 95% of diagnostic tests were reviewed outside of the required time frame.	Tier 1: $4,000 Tier 2: $6,000

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Health Care, *Continued*					
Number/ Time Frame	**Service Level Agreement**	**Numerator**	**Denominator**	**Minimum Threshold**	**Credits**
4 - Quarterly	Abnormal diagnostic results addressed. Section 1.0 O.6. Assessed at facility level.	Number of patients who received an abnormal test result that was addressed as evidenced in clinical progress note.	Number of patients who received an abnormal test result.	Year 1 - Credits will be assessed if less than 95% of patients with an abnormal test result did not have a clinical progress note. Subsequent years - Credits will be assessed if less than 99% of patients with an abnormal test result did not have a clinical progress note.	Tier 1: $4,000 Tier 2: $6,000
5 - Quarterly	Chronic disease clinical guideline adherence (MDOC will select two of the items from a. through e. to assess every quarter based on priorities). Based on Healthcare Effectiveness Data and Information Set (HEDIS). Assessed at facility level.	Guidelines followed by facility in (based on HEDIS): a. Asthma - Peak flow rate done in chronic care visit. b. Blood pressure control - Kidney function test one time per year. c. Diabetes care - HbA1c tested, eye examination, and nephrology. d. Asthma - Number of individuals with asthma on rescue inhalers and also on a steroid inhaler. e. Diabetes care - HbA1c in control (<8.0%).	Total number of patients enrolled in chronic disease control program.	Year 1 - Credits will be assessed if more than 10% of patients are below target at any facility. Subsequent years - Credits will be assessed if more than 5% of patients are below target at any facility.	Tier 1: $4,000 Tier 2: $6,000

Behavioral Health and Substance Use Disorder Access and Quality					
Number/ Time Frame	**Service Level Agreement**	**Numerator**	**Denominator**	**Minimum Threshold**	**Credits**
6 - Quarterly	Face-to-face psychiatric visit access. Section 1.0 C.4. (Table). Assessed at Statewide level.	Patients seen face-to-face within the required time frames for each level of care at each applicable facility: • OTP - 6 months • RTP - 90 days • RTS - 30 days • Acute - 7 days	Number of patients enrolled by level of care for a minimum of 90 days at a facility.	Year 1 - Credits will be assessed if less than 95% of visits are seen within the required time frames across all sites and all levels of care. Subsequent years - Credits will be assessed if less than 98% of visits are seen within the required time frames across all sites and levels of care.	Tier 1: $5,000 Tier 2: $10,000

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Behavioral Health and Substance Use Disorder Access and Quality, *Continued*					
Number/ Time Frame	**Service Level Agreement**	**Numerator**	**Denominator**	**Minimum Threshold**	**Credits**
7 - Annually	Provider substance use disorder (SUD) qualifications. Section 1.0 B.5. l. Assessed at Statewide level.	Providers with an X waiver. Note: The X waiver permits providers to prescribe Suboxone for opioid use disorder patients.	Total number of providers.	Year 1 - Credits will be assessed if less than 100% of providers have an X waiver by the end of year 1 and all have a 100 patient limit. Subsequent years - Credits will be assessed if less than 100% of providers have an X waiver and have a 250 patient limit.	Credit: $1,000 for each provider who does not have the waiver.
8 - Quarterly	Medication renewals. Section 1.0 C.4. (Table). Assessed at facility level.	Patients with medication renewals who are seen face-to-face every six months.	Number of patients with medication renewals.	Year 1 - Credits will be assessed if more than 10% of patients with medication renewals were not seen every 6 months. Subsequent years - Credits will be assessed if more than 5% of patients with medication renewals were not seen every 6 months.	Tier 1: $4,000 Tier 2: $6,000

Pharmacy					
Number/ Time Frame	**Service Level Agreement**	**Numerator**	**Denominator**	**Minimum Threshold**	**Credits**
9 - Quarterly	Polypharmacy Section 1.0 G.2. Assessed at Statewide level.	Quarterly polypharmacy cases (over 9 drugs) with documented clinical justification (with possible exceptions with DWHC and Woodland).	Total number of polypharmacy cases.	Year 1- Credits will be assessed if more than 5% of polypharmacy cases are clinically inappropriate. Subsequent years - Credits will be assessed if more than 2% of polypharmacy cases are clinically inappropriate.	Tier 1: $5,000 Tier 2: $10,000
10 - Quarterly	Psychotropic monitoring. Section 1.0 G.3. and Section 4.3 Q. 9. Assessed at Statewide level.	Doses of psychotropics above standard recommended dose, with documented review of attending provider and plan to address.	Number of psychotropic doses.	Year 1 - Credits will be assessed if more than 10% of psychotropics are dosed outside of the recommended range without clinical justification. Subsequent years - Credits will be assessed if more than 5% of psychotropics are dosed outside of the recommended range without clinical justification.	Tier 1: $5,000 Tier 2: $10,000

Claims Processing					
Number/ Time Frame	**Service Level Agreement**	**Numerator**	**Denominator**	**Minimum Threshold**	**Credits**
11 - Quarterly	Duplicate claims payment (including Medicaid). Section 1.0 N. Assessed at Statewide level.	Emergency room and/or professional claims that were associated with an inpatient admission and duplicate billed to MDOC.	Number of inpatient hospitalizations billed to MDOC.	Year 1 - In addition to MDOC recoupment of incorrect reimbursement, credits will be assessed if payment was made on ancillary emergency room or professional claims that should have been rolled into the original claim.	$2,000 credit each instance of professional and emergency room facility.

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Claims Processing, *Continued*					
Number/ Time Frame	**Service Level Agreement**	**Numerator**	**Denominator**	**Minimum Threshold**	**Credits**
12 - Quarterly	Late payment. Section 1.0 N.7. Assessed at Statewide level.	Claims that were paid untimely - Clean claims must be paid within 45 days and claims should be clean within 90 days.	Total number of claims.	Year 1 - Credits will be assessed if more than 5% of claims were paid untimely according to the definition noted in the numerator. Subsequent years - Credits will be assessed if more than 2% of claims were paid untimely.	Tier 1: $5,000 Tier 2: $10,000
13 - Monthly	Claims reconciliation. Section 1.0 N. Assessed at Statewide level.	Any claim identified from the monthly claims file that is paid by the contractor that does not reconcile to the respective monthly census report.	Total number of claims.	All years - Credits will be assessed if less than 100% of the claims are reconciled to the monthly census report.	Credit: Repayment for the value of the claim paid plus $500 for each claim.
14 - Monthly	Claims events. Section 1.0 N. Assessed at Statewide level.	Any claim identified from the monthly claims file that does not have an associated authorization number tied to the claim.	Total number of claims.	All years - Credits will be assessed if less 100% of the monthly claims lack an authorization number.	Credit: $500 for each claim without an associated authorization number.

Miscellaneous					
Number/ Time Frame	**Service Level Agreement**	**Numerator**	**Denominator**	**Minimum Threshold**	**Credits**
15 - Annually	Training. MDOC Training. Manual: New Employee and In-Service. Section 1.0 I.3. and 5. Section 1.2. Assessed at Statewide level.	All contracted personnel must complete MDOC new employee training, MDOC annual training, and any continuing education courses that are needed to maintain licensure.	Total number of training sessions (in-person and computer-based training).	All years - Credits will be assessed if less than 100% of all staff have completed training and continuing education to maintain licensure.	Credit: $1,000 for each staff member who does not complete the training.
16 - Monthly	Timeliness of data requests. Section 1.0 R.1. and 2. Section 4.3. Assessed on each request.	All requests for data or information need to be completed by the timeline identified by the contractor.	Number of data/information requests.	All years - Credits are assessed for any data or information request that is not delivered timely. Credits are assessed for each business day late.	Credit: $500 per business day that the data request is untimely.

Source: The OAG prepared this exhibit based on Schedule A-9 (service level agreements) in the State of Michigan's contract with GPHS (contract number 210000000685), which was assigned to VitalCore Physicians Group, PLLC in May 2024 (contract number 240000000326).

clean claim	Generally, a request for payment (claim) submitted by a healthcare provider that is complete, accurate, and free from any errors.
DWHC	Duane Waters Health Center.
general bar date	The deadline set by the bankruptcy court for creditors, excluding governmental units, to file their proofs of claim.
governmental bar date	The deadline established by the bankruptcy court for governmental units to file proofs of claim.
GPHS	Grand Prairie Healthcare Services.
HEDIS	Healthcare Effectiveness Data and Information Set.
MDOC	Michigan Department of Corrections.
notice of stay	A document informing the parties in a legal case that the case has been put on hold.
PPPM	per prisoner per month.
proof of claim	A formal document filed by a creditor with the court to establish their right to payment and the amount owed by the debtor.
SLA	service level agreement.
Statewide Integrated Governmental Management Applications (SIGMA)	The State's enterprise resource planning business process and software implementation suite supporting budgeting, accounting, purchasing, human resource management, and other financial management activities.
suggestion of bankruptcy	A legal document filed in a separate lawsuit to inform the court and other parties that the debtor has filed for bankruptcy, essentially notifying them that an "automatic stay" is in effect, meaning all collection actions against the debtor must be paused until further notice from the bankruptcy court.