In accordance with the Collected Rules and Regulations 80.010, MU Health Care (MUHC) requests approval for a sole source contract with Huron Transaction Advisory LLC (Huron), Chicago, Illinois, to purchase specialized health care transaction consulting services for $1,785,000 plus travel expenses. Specifically, Huron would serve as a consultant with respect to the potential transaction with SSM Health St. Mary’s Hospital-Jefferson City and SSM Health St. Mary’s - Audrain.

St. Louis-based SSM Health issued a request for proposal for the acquisition of these facilities on March 15, 2018 with a response deadline of April 20, 2018. MUHC responded to the RFP, and subsequently, SSM Health is in exclusive discussions with MU Health Care with signed letters of intent to explore the transfer of ownership of these facilities to MUHC. MUHC believes the possibility of acquiring these facilities is an opportunity to expand our presence in Jefferson City, Mexico and beyond, while improving the health of the communities through exceptional clinical care and service. MUHC would be able to offer these communities improved access to our comprehensive integrated health care services that include the latest treatments and leading-edge research available. It also would create new opportunities to train more physicians, nurses and other health professionals to care for patients throughout the state.

MUHC contracted with Huron for the limited purpose of engaging them in responding to SSM’s initial request for proposal. After this response was submitted, SSM expressed interest in continuing discussions with MUHC. At that point, MUHC contracted with Huron again to assist in these ongoing discussions. These services have been provided through an engagement letter, referred to as Phase I and Phase II. The combined spend on Huron’s services for Phase I and II are approaching, but have not exceeded, thresholds requiring Board of Curator approval under Collected Rules and Regulations 80.010. Due to the desire to continue to work with Huron for future services as MUHC works through the diligence process with SSM regarding the acquisition, approval is being sought due to the expenses and additional consulting services for the entire engagement will exceed $500,000 in total.

Huron was the only consultant available on very short notice to provide assistance in responding to SSM Health’s RFP for the acquisition of the St. Mary’s facilities that wasn’t representing SSM and has financial advisory services, specifically in merger and acquisition expertise in the health care industry. Initially the expected dollars to be spent with Huron was not anticipated to exceed $500K, however the ongoing discussions with SSM Health requires additional consulting resources. It would not be beneficial to seek another firm to assist with the due diligence process, as Huron has been involved from the beginning and has knowledge required to assist moving forward in the process.
MUHC reached out to several consulting firms with merger and acquisition expertise in the health care industry to assist with the RFP response. Due to the size of SSM and the number of firms with which they work creating conflicts of interests, options were extremely limited. Huron is one of the largest providers of financial advisory services in not-for-profit hospital transactions in the country. As such, they have extensive knowledge of the models used in similar affiliations between academic medical centers and community hospitals, which can be used to our advantage. Huron was strategically selected due to their extensive experience and range of services available in the merger and acquisition space, as well as their extensive working knowledge of MUHC’s business model through prior and current engagements, including revenue cycle and value based contracting consulting. The proposed integration with SSM is highly complex and requires continued expert outside assistance. Huron’s work on the preparation and submission of MUHC’s response to the SSM initial request for proposals provides them in-depth context and uniquely positions them as the preferred consultant to provide continued due diligence and negotiations. For the foregoing reasons, MU Health Care views Huron’s services as unique and requests Board of Curator approval to sole source this important engagement.

The total expenditures for this engagement will be paid from MU Health Care operating funds.
Recommended Action - Sole Source – Specialized Health Care Transaction Consulting Services, MUHC

It was recommended by Chancellor Cartwright, endorsed by President Choi, recommended by the Finance Committee, moved by Curator ______________ and seconded by Curator ______________, that the following action be approved:

that MU Health Care be authorized to purchase Specialized Health Care Transaction Consulting Services from Huron Transaction Advisory LLC, Chicago, Illinois, at a total cost of $1,785,000 plus travel expenses.

Funding is as follows:
MU Health Care CEO Corporate Operating Fund         H2766- 750000

Roll call vote Finance Committee       YES         NO
Curator Brncic
Curator Chatman
Curator Layman
Curator Snowden
Curator Sundvold

The motion ______________.

Roll call vote Full Board:       YES         NO
Curator Brncic
Curator Chatman
Curator Farmer
Curator Graham
Curator Layman
Curator Phillips
Curator Snowden
Curator Steelman
Curator Sundvold

The motion ______________.