



City of Philadelphia

City Council
Chief Clerk's Office
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Philadelphia, PA 19107

Legislation Text

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Authorizing the Committee on Rules to hold public hearings to examine the City's intent to contract with Corizon Health, Inc. to provide healthcare services to inmates in the Philadelphia Prison System.

WHEREAS, Corizon Health, Inc., formerly known as Prison Health Services, Inc., is a provider of correctional healthcare services in the United States. Since 1995, the Philadelphia Prison System has contracted with Corizon to provide dental, hospital, laboratory, optometry, pharmacy and specialty services to inmates at correctional facilities throughout the City; and

WHEREAS, Beginning October 2011, the Office of the Inspector General investigated an allegation that the company used a pass-through Women-owned Business Enterprise in violation of the City's requirements governing the participation of Minority, Woman, and Disabled Business Enterprises in City contracts, as outlined in Mayoral Executive Order 02-05; and

WHEREAS, The investigation found that from 2007 to 2011, the minority-certified vendor that Corizon claimed was providing pharmaceutical services for Corizon under its contract was not, in fact, providing services. The company that provided the pharmaceutical services was not minority-certified and was being compensated far less than what Corizon claimed to be providing in its contract; and

WHEREAS, The Inspector General initially recommended that Corizon and its personnel be debarred from participation in any City contract for two years, but Corizon worked cooperatively with the City to rectify the issue. Further, to avoid delay, uncertainty, risk, inconvenience, and the potential expense of protracted litigation, the City reached a full and final no-fault settlement that included Corizon's payment of \$1,850,000 to the City; and

WHEREAS, In June 2012, the City issued a Request for Proposal for General Consultant Services for the Prison System. Two companies, Corizon and Correctional Medical Care, Inc. responded, the latter with minority certification status, an untarnished reputation, and a bid lower than the former by \$14 million over the four-year contract term. Inexplicably, the City not only extended Corizon's current contract for six months, during which time the company settled with the City, but the City later posted a "Notice of Intent to Contract" with Corizon; and

WHEREAS, The Philadelphia Home Rule Charter dictates that all contracts must be certified as being "in the best interest of the City," and it is heretofore unclear that these conditions were satisfied; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Committee on Rules is authorized to hold public hearings to examine the City's intent to contract with Corizon Health, Inc. to provide healthcare services to inmates in the Philadelphia Prison System.

