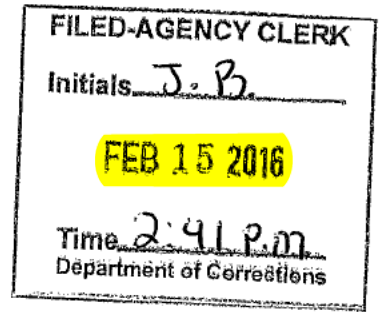


STATE OF FLORIDA
DEPARTMENT OF CORRECTIONS



WEXFORD HEALTH SOURCES, INC.,

Petitioner,

vs.

DC Case No.: DC16-36
Contract No. C2869

**STATE OF FLORIDA, DEPARTMENT
OF CORRECTIONS,**

Respondent.

_____ /

**PETITION OR AMENDED PETITION FOR FORMAL
ADMINISTRATIVE PROCEEDINGS, AND FORMAL WRITTEN PROTEST**

Pursuant to Sections 120.569 and 120.57(1) and (3), Fla. Stat., and Rule Chapter 28-110, Fla. Admin. Code, Petitioner Wexford Health Sources, Inc., hereby files its Formal Written Protest and Petition for Formal Administrative Proceedings to contest the award of Contract No. C2869 to Centurion of Florida, LLC, and the terms and conditions of that contract, for Comprehensive Health Services in Region I, Region II, and portions of Region III. In support of this Petition and Protest, Wexford states as follows:

PARTIES

1. The Agency affected is the Florida Department of Corrections (“DOC” or “the Department”), whose headquarters are located at 501 South Calhoun Street, Tallahassee, Florida 32399-2500, and whose Bureau of Procurement is located at 4070 Esplanade Way, Tallahassee, Florida 32311. The Agency’s file number for this contract is C2869.

2. Petitioner is Wexford Health Sources, Inc. (“Wexford”), whose address for purposes of this solicitation is Foster Plaza 4, 501 Holiday Drive, Pittsburgh, PA 15220. For purposes of this proceeding, Wexford’s address shall be that of its undersigned attorneys,

24. The contract allows Centurion to be paid on a “cost plus” basis. In other words, the more Centurion expends in performing its services to provide prison healthcare, the more the Department of Corrections must pay it. The only cost controls in this contract which limit how much Centurion can spend and, thus, how much it must be paid by the Department, is a \$268 million annual cap that, based on the current fiscal year’s budget, is over 93% of the total inmate health services line item in the state budget. Simply put, Centurion can bill the Department of Corrections an unlimited amount each month it is performing under this contract, subject only to an annual cap of \$268 million. Those monthly bills will include a cost-plus “administrative fee” (corporate support costs and profit) for Centurion of 13.5% of the actual expenses incurred by Centurion.

25. As a result of this award, there is no requirement in this contract nor incentive for Centurion to perform in a manner that prevents the available funds from being exhausted before the end of the fiscal year. Since the contract contains only a 60 day notice requirement for termination (instead of the 180 day notice requirement in the Wexford and Corizon contracts), Centurion can incur expenses at any level, and can terminate the contract when it reaches the point where there are only two months worth of funds left. That situation is a foreseeable outcome of this contract. Should these expenditures exceed the amount the Legislature has appropriated for the entire state to provide adequate health services to the inmates in question, the State of Florida will be unable to provide these services to any inmates in its custody. In order to comply with the Costello mandate, the Department would have to use funds appropriated by the Legislature for other purposes, which it cannot legally do.

26. The Department of Corrections no longer directly employs medical staff capable of providing prison health services. It must rely on private vendors to provide these services in a