



Maryland
Hospital Association

I. Introduction

The Maryland Hospital Association (MHA), The Maryland Healthcare Education Institute (MHEI), and The Maryland Patient Safety Center (MPSC) are soliciting proposals for investment consultant services for investment options, improvements, and maximization of the returns of each entity within the parameters of the individual Investment Policy Statements. The Request for Proposal includes the investment of funds from the following entities:

The Maryland Hospital Association, Inc (MHA)
Maryland Prime, Inc (wholly owned MHA subsidiary)
The Maryland Healthcare Education Institute (MHEI)
The Maryland Patient Safety Center (MPSC)

The approximate fair market value of all entities as of December 31, 2023, were as follows:

MHA and Subsidiary \$37,400,000
MHEI \$730,000
MPSC \$1,370,000

The above balances are currently invested in various stocks, bonds, and cash money market accounts as determined by the Investment Policy Statement of each entity. These values may change based on market conditions or use by the organization.

It is the Association's intent to award a contract which will comprise the investment funds of all included entities. A copy of each participating entity's Investment Policy Statement is attached.

[Exhibit A – MHA Investment Policy Statement \(Including subsidiary\)](#)

[Exhibit B – MHEI Investment Policy Statement](#)

[Exhibit C – MPSC Investment Policy Statement](#)

II. Company Background

The Maryland Hospital Association (MHA) is a Maryland 501(c)(6) non-profit corporation organized in 1954. The mission of MHA, a voluntary membership organization, is to serve Maryland's hospitals and health systems through collective action to shape policies, practices, financing and performance to advance health care and the health of all Marylanders. MHA advocates for members and their constituents – caregivers, patients, and communities – before state legislative and regulatory bodies. MHA also aids member organizations in their shared efforts – both within the field and in concert with other stakeholders in the private and public sectors – to improve the quality and cost- effectiveness of health care services.



Maryland Prime, Inc (Prime) - formed in 1985, a wholly owned, for-profit subsidiary of MHA. Maryland Prime is a non-stock corporation incorporated under the laws of the State of Maryland. The Board members of Prime are also Board members of the Association. The purpose of Prime is to coordinate programs in order to reduce the cost of health care to the public while maintaining a high quality of such care through the development, operation, and maintenance of programs.

The Maryland Healthcare Education Institute (MHEI) - formed in 1967, The Maryland Hospital Education and Research Foundation, Inc., T/A The Maryland Healthcare Education Institute is a 501(c)(3) non-profit, non-stock educational organization incorporated under the laws of the State of Maryland. The Foundation provides healthcare related educational programs and services to healthcare providers within the State of Maryland.

The Maryland Patient Safety Center (MPSC) – The Maryland Patient Safety Center, a 501(c)(3) non-profit corporation, was created by the Maryland Healthcare Commission in 2004 to develop and implement strategies to improve the safety of patient care in Maryland. MPSC convenes providers, patients, and families across the healthcare continuing to prevent avoidable harm and provide safe and equitable healthcare for all.

III. Scope of Services Required

MHA is requesting proposals from qualified investment consultants who will assume responsibility for directing approximately \$38 Million in assets in accordance with established investment policies. Proposing investment consultants must be fully and currently licensed by all appropriate Federal, State, and Industry agencies to provide consulting services. The Investment Consultant shall act as fiduciary in the oversight of assets. Responsibilities include:

- a. Invest assets in accordance with goals and objectives outlined in the Investment Policy.
- b. Assisting in the development and periodic review of the investment policy.
- c. Serve with the authority of discretionary investment manager, which allows for decisions to buy, sell, or hold individual securities, and to alter asset allocations within the guidelines established in the Investment Policy Statements to meet or exceed performance benchmarks.
- d. Conduct Investment Manager Searches, provide “due diligence” on current or prospective investment managers, monitor performance, and make recommendations to hire or terminate.
- e. Monthly Reporting of portfolio showing cost and market value of securities, cash transactions, including sources and nature of all interest and dividends in sufficient detail. Reports are due within 7 days following the close of calendar month.
- f. Communicate matters of policy, manager research, and manager performance to the finance committee.
- g. Monitor the asset allocation of MHA’s assets and provide the Finance Committee with recommendations for rebalancing.



- h. Report to the Board or designated committee on investment performance and market changes upon request from management. Historically this may be no more than ten meetings per year, the majority of which are held virtually.
- i. Communicating any major changes to economic outlook, investment strategy, or any other factors which may significantly affect implementation of the investment process or impede progress of each entities' investment objectives.
- j. Informing the corresponding Board and/or Committee regarding any qualitative change to investment management organization. Examples include changes in portfolio management personnel, ownership structure, and investment philosophy, etc.
- k. *Informational and Optional* – The current investment Consultants also assist with 401K investment choices, options, and consulting. This service is separately contracted and preferred, but not required by the same investment consultant.

IV. Format of Proposals

Please format your response to this request in the following order to facilitate comparisons between respondents. The responses must be clear, concise, and to the point. Any supporting information that you feel may be helpful can be included following the formatted reply.

a. Cover Sheet

The proposal should contain a cover letter and introduction, including the company name, address, and the name and telephone number of the person or persons authorized to represent the company regarding all matters related to the proposal. The letter should also contain the following statement: “We have read the Maryland Hospital Association’s Request for Proposals (RFP) for investment consulting services and fully understand its intent. We certify that we have adequate personnel, equipment, and facilities to provide the Association’s requested services that we have indicated we can meet. In addition, we certify that we have thoroughly examined the RFP requirements and our proposed fees cover all the services that we have indicated we can meet, and we acknowledge and accept all terms and conditions included in the RFP.” A person authorized to bind the investment firm to all commitments made in this proposal shall sign this letter.

b. Organizational Information

1. Provide your firm's name and address, and the primary contact's name, phone number, and e-mail address. Provide the address of the local office that would serve this account.
2. Provide a summary and history of your firm and your parent organization (if applicable), including the year founded, location of headquarters, number and location of offices (including which office would service our organization), and significant developments affecting the firm over the last three (3) years, such as changes in ownership, restructuring, personnel reorganization, or philosophy.
3. Are any ownership changes planned or anticipated at this time?
4. Describe your firm’s financial stability.



5. Provide an organizational chart of your firm and list the name and location of the primary individuals who would be responsible for the accounts; Provide biographies including titles, credentials, and relevant experience.
6. Please describe your capabilities related to client data/information protection and security.
7. Do you utilize subcontractors or outside data or analytical service providers in the delivery of Investment Consulting services? If yes, please describe such services.
8. Does your firm generate revenues or indirect compensation from sources other than investment consulting services? If so, disclose these alternate sources and the percentage of total firm revenues for which they account.
9. Does your firm sell or report any data from its clients, either specifically or in aggregate, to any organization? Yes No If yes, please explain.
10. During the last five years, has anyone who will be involved in managing or servicing our organization, been a party to or otherwise involved in retirement plan, investment consulting, or securities related litigation? If so, provide an explanation and indicate the current status of the proceedings.
11. Has there been any SEC or other regulatory action against the employees involved in managing or servicing our organization within the past five years? If yes, please provide details.
12. Is your firm currently in negotiations or discussions related to merger, acquisition or divestiture activities that would change the nature of our relationship with personnel or servicing our organization? If yes, please provide details.
13. Provide a representative client list including by client size and type for the team that would be responsible for advising our organization. (Endowment, ERISA, Foundation, Corporation, Etc)
14. Provide your client retention for the last 1, 3, and 5 years.

c. Interrogatories

1. Describe your client service model. (i.e., What should MHA expect?) and investment consulting approach and philosophy.
2. What are your firm's distinguishing factors, and what unique value-added services can your firm provide? Detail key strengths or competitive advantages.
3. Detail your process for evaluating investment funds and asset managers. Is there a quantitative or systematic process for assessing funds? Describe the process for recommending changes to a client's investment lineup including hiring and terminations?
4. Describe your process in detail for on-going monitoring of investment managers.
5. Describe how you assess and evaluate asset manager's progress on diversity, equity, and inclusion. Include information on the number of firms that are evaluated, tools that are used, and methodology.
6. Please provide a sample of your reporting capabilities and a brief description of the system used to generate such reports.

7. Explain how your firm gathers, verifies, updates, and maintains the data collected on managers for your investment manager search database.
8. Does your firm use any proprietary or third-party applications in connection with the investment decision-making process and/or risk management practices?
9. Do you have any written policies or procedures to address conflicts of interest? If so, please provide.
10. Have there been any material breaches involving the primary team assigned to our organization of your code of ethics, conflict of interest policy, or compliance in the past five years? If yes, please provide details.
11. Disclose any other form of compensation that you expect to receive in connection with our account. Fully describe any indirect, fee sharing or soft-dollar arrangements.
12. If your firm were selected as the new Investment Consultant to the MHA, describe the tasks and timetable that would be required for the transition.

V. Selection Process

MHA will evaluate qualifications and experience and price proposals. MHA may request oral presentations for firms deemed the most qualified. Selection criteria is as follows:

- a. Responsiveness to the scope of work and instructions to firms.
- b. Past performance of the firm including timely completion of projects, compliance with scope of work performed, and user satisfaction.
- c. Specialized experience and technical competence in providing similar services in the past 5 years, including qualifications of staff members who will be involved in these services.
- d. Oral presentations, if required.
- e. Geographic location to MHA.
- f. References from current or previous clients.
- g. Price proposal

VI. Term

Term will be for one year with an option to renew up to four (4) additional consecutive one (1) year periods. If the investment consultant fails to comply with specifications outlined in the agreement or this RFP, MHA has the right to terminate the contract.

VII. References

Please provide 3 references with contact information, who can attest to the ability of the respective individual(s) assigned to the account. Provide references with similar Investment Consulting services; entities classified as 501(c)6 or 501(c)3 are preferred. **Please do not provide sponsoring, parent organizations, subsidiaries, or subcontractors as references.**



VIII. Signature

I hereby state that all information presented in this proposal to serve as Investment Consultant to the MHA and to the Board of Directors is, to the best of my knowledge, accurate and true. I state that we have read the entirety of this RFP. I further state that I am authorized to submit this proposal on behalf of (Company Name) _____.

Name of Investment Consultant:

Signature:

Printed Name:

Title:

Date:

IX. Fee

- a. [Complete the Price Proposal form, Exhibit D \(or comparable Proposal form\) for total combined asset value or by company.](#)
- b. Provide a detailed explanation of how your fees, commissions and expenses are determined.

X. Submission of Proposal

Please provide 2 copies of your response to this RFP. They must be received by 4:00 p.m. local time on April 26, 2024, at the following location. You may also email the response.

Sara Greaves, VP of Finance
6820 Deerpath Road
Elkridge, MD 21075
sgreaves@mhaonline.org

The Association may invite finalists to make oral presentations at a joint Board meeting; however, the final determination as to conducting such will not be determined until after reviewing the written proposals. The schedule will be as follows:

- Request For Proposals posted 03/25/2024.
- Proposals due 04/26/2024
- Interviews scheduled as needed.

The Association will not be liable for any costs incurred in the preparation and production of a response to this RFP.

Notwithstanding any other provision of the RFP, the Association reserves the right to reject all proposals, and to waive any irregularity or informality in a proposal. It is further within the rights of the Association to reject proposals that do not contain all elements and information requested in the document.