

STANDING COMMITTEES

Governance Committee

Dissolve UW Medicine Board and Approve Creation of UW Medicine Advisory BoardRECOMMENDED ACTION

It is the recommendation of the Chair of the Board and the Governance Committee that the Board of Regents:

1. Dissolve the UW Medicine Board, effective September 1, 2018;
2. Approve the creation of a UW Medicine Advisory Board, to be governed by the changes to *Board of Regents Governance*, Standing Orders, Chapter 4, presented in Item G-4, effective September 1, 2018;
3. Approve the proposed members and terms for the UW Medicine Advisory Board, as appended to this item;
4. Delegate to the CEO, UW Medicine, authority to delay the effective date of the dissolution of the UW Medicine Board and the creations of the UW Medicine Advisory Board and of the UW Medical Center Board with the prior consent of the Chair of the Board of Regents; and
5. Institute a monthly report of the CEO, UW Medicine, to the Board of Regents, to follow the Chair's Report and the President's Report during regular meetings of the full Board, and to be presented on the basis of a scorecard of indicators on the performance of the clinical enterprise to be included in the pre-distributed meeting materials.

BACKGROUND

On August, 20, 1976 the Board of Regents established a University Hospital Board, "charged with the governance of the University Hospital, including the responsibility for appointments to the medical and dental staffs, the delineation of medical staff clinical privileges, and the approval, adoption and amendments of the medical and dental staff by-laws."

On January 21, 2000 the Board of Regents expanded the scope of the UW Medical Center (UWMC) Board "to become the University of Washington Academic Medical Center Board (the 'Board'), which shall, subject to the authority of the Board of Regents, the organizational structure of the University administration and established University agreements and policies, be charged with advising the VPMA/Dean regarding the operation and governance of those aspects of the UW AMC relating to the development and strategic allocation of

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resources; strategic aspects of academic programs, including the development of off-campus research facilities; the planning and delivery of medical services, including oversight of the physician services provided through the UWP; and the management of extramural affiliation and operating agreements, including those executed by the University with Harborview, the Seattle Cancer Care Alliance ('SCCA'), and UWPN."

Since the UW concluded its first contract with King County to operate Harborview Medical Center (HMC) in 1967, UW Medicine has continued to grow, quite rapidly in the new millenium. In 2001 UW Medicine added a research campus at South Lake Union. On January 1, 2010 Northwest Hospital & Medical Center (NWH) joined UW Medicine. In 2011 Valley Medical Center developed a long-term alliance with UW Medicine. In 2014 the UW Medicine Accountable Care Network (ACN) was formed. On February 8, 2018 the Board of Regents approved the dissolution of NWH and its integration into the UW Medical Center (UWMC) and the formation of a community health partnership with RCCH Healthcare Partners. On June 7, 2018, the Board of Regents approved the formation of a clinically integrated network with MultiCare Health System as the successor to the ACN.

In the spring of 2017, the Board of Regents engaged a consultancy, ReCon Strategy, to examine the strategy and governance of UW Medicine. ReCon offered preliminary results of its analysis to the Board in July 2017 and presented final recommendations in September 2017. ReCon validated UW Medicine's strategic vision but felt that governance could be improved. ReCon did not, however, identify any single best model of governance for the relationship of entities analogous to the University of Washington and UW Medicine.

In February 2018 the Board of Regents charged a Task Force on the Governance of UW Medicine with presenting recommendations to the Board of Regents. Its members are Regent Jeremy Jaech, Chair of the Board of Regents, Regent Kristianne Blake, Julie Nordstrom, Chair of the UW Medicine Board, and Alan Frazier, Member of the UW Medicine Board, with staff assistance from Margaret Shepherd, Chief Strategy Officer, UW, Christy Gullion, Chief of Staff to the CEO/EVPMA/Dean, UW Medicine, and Tyler Lange, Secretary of the Board of Regents.

The following goals, established by the Board of Regents, have guided the Task Force's detailed recommendations:

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- The healthcare landscape is complicated, uncertain, and dynamic. The Board wishes to create a nimble governance structure to allow UW Medicine to implement decisions quickly after sound strategic advice.
- The Board of Regents does not itself have the capacity or the industry-specific healthcare expertise to comprehensively assess the strategy, major initiatives, and budget of UW Medicine. The Board wishes to assemble a board of medical sector experts (analogous to its audit, real estate, and investment advisory committees) to provide strategic advice and comprehensive assessments.
- Existing report relationship between the Board of Regents, Advisory Board, CEO of UW Medicine, and President are not always clear. The Board wishes to clarify existing reporting relationships.

RECOMMENDATIONS OF THE TASK FORCE

The Task Force on the Governance of UW Medicine recommends that:

1. The UW Medicine Board be dissolved, effective September 1, 2018.
2. A new UW Medicine Advisory Board (UWMAB) to the Board of Regents be established, effective September 1, 2018.
 - The structure of this advisory board will be based on the structure of existing advisory committees to the Board of Regents.
 - The UWMAB will be composed of eight to ten members, serving staggered three-year terms.
 - The Chair and all members will be chosen by the Board of Regents on the recommendation of its Governance Committee. The Chair will agree to serve a minimum two-year term, but serves at the pleasure of the Board of Regents.
 - Two Regents will sit on the UWMAB.
 - Other members will be subject matter experts in healthcare, finance and related fields.
 - The University President and CEO, UW Medicine, will sit as *ex officio* members, who shall not count toward the limit of eight to ten members.
3. The roles and responsibilities of the UWMAB be as follows:

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- The UWMAB will advise the Board of Regents on the development and execution of a comprehensive strategy for UW Medicine.
 - The UWMAB will vet all action items, including any major projects and strategic initiatives, that come before the Board of Regents.
 - The UWMAB will recommend approval of the UW Medicine budget as it will be included in the comprehensive UW budget presented to the Board of Regents.
 - The UWMAB will advise the CEO on strategic initiatives.
4. It be reiterated that the CEO of UW Medicine reports to the University President, who reports to the Board of Regents.
 5. A UWMC governing board be created, subject to the Open Public Meetings Act, and responsible to the Board of Regents, to satisfy statutory requirements and regulatory requirements for accreditation by the Joint Commission.
 6. The governing boards of UW Medicine entities (HMC, NWH, VMC, and any potential new entities) continue to function. The NWH Board will be dissolved with the hospital's integration into UWMC and will thereafter be governed by the new UWMC board.
 7. The CEO examine how best to preserve the system-integrative functions of the Compliance, Finance & Audit, and Patient Safety Committees of the UW Medicine Board, whether preserving them as internal advisory bodies or dissolving them and leaving their functions to UW Medicine's Chief Health System Officer, Chief Compliance Officer, and Chief Financial Officer. Any action in this respect shall be left to the CEO's discretion, subject to his reporting relationship to the University President.
 8. The UWMAB meet quarterly, or as needed, and that it report quarterly, or as needed, to the Board of Regents.
 9. The CEO report monthly to the Board of Regents, offering a forward-looking report accompanied by a scorecard similar to the capital projects scorecard. Existing annual financial, compliance, and patient safety reports from UW Medicine shall be maintained.

The Task Force's recommendations have guided the provisions proposed to the Board of Regents in the items G-3, G-4, and G-5. Its work is hereby concluded.

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Attachment

Proposed Members of the UW Medicine Advisory Board

PROPOSED MEMBERS OF THE UW MEDICINE ADVISORY BOARD

(in accordance with the bylaws proposed in the changes to *Board of Regents Governance*, Standing Orders, Chapter 4)

1. **Jeremy Jaech**, Regent, Chair
2. **Rogelio Riojas**, Regent
3. **Julie Nordstrom**
4. **Kimberly McNally**
5. **Bernadene Dochnahl**, Harborview Medical Center Representative No. 1
6. **Lisa Jensen**, Harborview Medical Center Representative No. 2
7. **Gary Kohlwes**, Valley Medical Center Representative No. 1
8. **Donna Russell**, Valley Medical Center Representative No. 2
9. **TBD**
10. **TBD**

Ana Mari Cauce, University President, *ex officio*

Paul G. Ramsey, MD, CEO, UW Medicine, *ex officio*

Terms remain to be decided, but must be staggered so that the terms of no more than 4 members will expire simultaneously on September 30 of any given year.

BIOGRAPHIES



Julie A. Nordstrom is an active community volunteer. She is currently working on global health initiatives with the University of Washington and is a founding Co-Chair of the Department of Global Health's Leadership Council. Nordstrom has previously served on the board of Seattle Children's Home, the advisory board of Child Haven, and volunteered at Seattle Children's. Nordstrom was formerly an associate for the law firm of Stafford, Frey, Cooper and Stewart, where she worked in the construction and surety division. She was also a law clerk for Justice James Dolliver of the Washington Supreme Court. She earned her law degree from Seattle

University and her bachelor's degree in political science from the UW. She is currently chair of the UW Medicine Board.



Kimberly McNally, MN, RN, is President of McNally & Associates, an executive coaching and consulting firm and works with leaders and teams in health care, nonprofit, and education organizations. She draws on more than 30 years of health care experience in leadership, education, and clinical positions. Prior to forming McNally & Associates in 1998, Kimberly served as Director of Education at Valley Medical Center responsible for managing organization-wide training efforts. For Health Incentives, Inc., she held executive positions in service delivery and account management working with employers, benefits

professionals and health care organizations throughout the country. In addition, she held leadership and clinical positions at Valley Medical Center, Fairfax Hospital, UW Medical Center and Maine Medical Center. She has a Master's degree in Nursing with a minor in Business from UW and a Bachelor's degree in Nursing from Saint Anselm College. She received certification as a professional coach from New Ventures West. Kimberly is engaged in health care governance at the local, state and national levels. She currently serves on the American Hospital Association (AHA) Board of Trustees and the Seattle Cancer Care Alliance Board. Previously, she served on the UW Medicine/Harborview Medical Center and Washington State Hospital Association (WSHA) Boards. She is past chair, AHA Committee on Governance and a member of the Center for Healthcare Governance National Board of Advisors. In addition, she served on the boards of Seattle Mental Health, Empty Space Theatre, and Washington Homecare.



Bernadene "Bernie" Dochnahl is principal of DENBE of Renton, LLC a commercial management and development company. Her experience include leading a small business; executive at Puget Sound Energy; leading the health reform agency for Governor Lowry in the mid 1990's; and leading a private, non-profit micro lending organization, Global Partnerships. She has over 25 years of experience leading and motivating people to focus on customer satisfaction and business success.

Ms. Dochnahl's community leadership positions include member of the Harborview Medical Center (HMC) Board, chair of the Mutual of Enumclaw Property and Casualty Insurance Company Board of Trustees, member of the Valley Medical Center Board, past vice chair of the Washington State Health Insurance Pool, former board member for the Center for Women & Democracy, and legislative committee chair of the Renton Chamber of Commerce. Ms. Dochnahl graduated Magna Cum Laude from the University of Washington Business School in Accounting. Ms. Dochnahl currently represents HMC on the UW Medicine Board.



Lisa Jensen is a principal of Jensen Companies, Inc, a company providing technical training to contractors and website and internet marketing support to a variety of business and non-profit organizations. She was elected to the Newcastle City Council in 2007, and appointed to the Harborview board in 2008. Her experience includes over 10 years with Lawson Software, consulting and managing sales support for Healthcare clients, and several years as an Industrial Engineer in the aerospace industry, focused on improving efficiencies in manufacturing processes. She holds a B.A. in Business from the University

of Washington. Ms. Jensen currently represents HMC on the UW Medicine Board.



Gary Kohlwes served on the Valley Medical Center (VMC) Board of Commissioners from 1995-2007 and was recently appointed to the Valley Board as a community trustee. He has served on the Washington Pacific Insurance SP Board since 2008. Mr. Kohlwes was the superintendent of the Renton School District from 1974-1997. He is owner and president of a commercial fishing vessel in Bristol Bay, Alaska. He is a board member

and executive director of the First Financial Northwest Foundation and founding board member and initial president of the Renton Community Foundation. Mr. Kohlwes is a UW alumnus. Mr. Kohlwes currently represents VMC on the UW Medicine Board.



Donna Russell is Principal of Donna Russell Consulting, LLC, a global health consulting firm that specializes in strategic and technical support to facilitate research, development, and implementation of new interventions to improve health globally. Her clients include the Bill & Melinda Gates Foundation, Oxford University, and the World Health Organization (WHO). She is currently working with WHO to establish in-country bio-banks through the standardized and harmonized collection of biological samples and associated clinical data from pregnant women in Africa and SE Asia to facilitate research on preterm birth, stillbirth, preeclampsia, and other conditions that result in maternal and newborn mortality.

Prior to starting her own consulting company, she co-founded the Global Alliance to Prevent Prematurity and Stillbirth (GAPPS), where she served as Director of Research Development. While there, she led the development and successful launch of the GAPPS Repository and provided strategic leadership to advance basic and translational research globally to improve maternal and newborn health.

Before co-founding GAPPS in 2007, she served as a senior policy advisor to the Washington State Board of Health and as a health services consultant to the Washington State Department of Health. She also served as a consultant to other organizations such as the U.S. Centers for Disease Control & Prevention (CDC), Seattle hospitals, and local tribes. Her experience covers health advocacy, policy development and analysis, implementation, research harmonization, health systems strengthening, public health financing, health workforce shortages, tribal health, health disparities, and maternal health.

Ms. Russell is a member of the PRE-EMPT Technical Advisory Group; the Preeclampsia Registry and Biobank, Scientific Advisory Board, Executive Committee; and the Group B Strep International Advisory Board. She has a Bachelor of Science, Nutrition and Food Science from the University of California, Berkeley, School of Natural Resources, and a Master of Health Administration from the University of Washington School of Public Health & Community Medicine. Ms. Russell currently represents VMC on the UW Medicine Board.

Further biographies of proposed members will be distributed at the meeting, or at subsequent meetings, prior to approval.

Hospital Services Agreement between King County/Harborview MC and the UW (2/2016)

either remain in the care of the Medical Center or remain in the care of UW Medicine at other sites where University Personnel are authorized to practice.

- 10.10 Patient and Business Records.** As of the effective date of termination or expiration, the County shall retain ownership to all the records of the Medical Center and the University shall turn over to the County all records that are in the University's possession or control that relate to any services provided by the University under this Agreement, including but not limited to patient and operations and management records. Upon request, the University shall have prompt access to all such records; however any expense associated with such access shall be borne by the University.
- 10.11 Survival.** The following provisions of this Agreement shall survive its termination and expiration: Sections 10 (Termination), 11.5 (Records and Audits), 12 (Insurance and Indemnification) and 14.10.3 (HIPAA Compliance).
- 10.12 Service Contracts and Property.** As of the effective date of termination, UW Medicine shall assign, transfer or convey to the County, or such other person or persons designated by the County, all service contracts (to the extent assignable) requested by the County and the real and personal property determined to be owned by the County pursuant to the process described in Section 10.8 (Transition Plan). In addition, UW Medicine shall assign to the County all leases that are for the benefit or use of the Medical Center.
- 10.13 Preservation of Other Remedies.** Failure of non-breaching Party to elect termination under the provisions of this Section 10 (Termination) shall not constitute a waiver of other remedies, provided that the remedies otherwise sought are available hereunder.

11. REPORTING AND ACCOUNTABILITY

- 11.1 General Operations.** UW Medicine shall collect and maintain accurate information (as provided herein and as required by Applicable Law and applicable accreditation and certification standards) on the nature, scope and content of its operations subject to this Agreement including its financial statements and shall provide such information as reasonably requested by County.
- 11.2 Governance.** Governance and oversight of both the Medical Center and UW Medicine shall be closely coordinated. UW Medicine shall

report to the Board with respect to its provision of the Management Services and Clinical Services and all other matters arising under or with respect to this Agreement. The President and Vice President of the Board shall serve as ex officio members of the UW Medicine Board with full voice and vote.

11.3 Meetings.

11.3.1 The Board and UW Medicine agree that communication between them is of the utmost importance and, therefore, agree that their Representatives will actively participate and provide appropriate staffing for all scheduled meetings of the full Board and all standing and ad hoc committees of the Board. At least annually, the Board and UW Medicine shall meet to review relationships, ongoing activities and the Management Services and Clinical Services provided under this Agreement.

11.3.2 At least annually, the UW Medicine CHSO/VPMA (or successor in function) and the Board President will be invited to meet with the County Council and County Executive to report on the status and performance of the Medical Center at a meeting of an appropriate committee of the County Council.

11.4 Notice of Certain Events.

11.4.1 Legal or Administrative Actions. UW Medicine shall promptly notify the Board President of any (i) Medical Staff corrective actions, (ii) material regulatory or administrative reviews, including site visits that are outside of the usual course of business, (iii) findings or investigations, (iv) allegations of fraud or financial abuse, or (v) allegations of patient abuse or significant or potential patient harm. Additionally, UW Medicine shall make available to the Board any reports from such site visits, including any actual or potential enforcement proceedings or actions, letters citing deficiencies or suggesting or imposing corrective action.

11.4.2 Sanctions. UW Medicine shall promptly notify the Board if it receives notice of any actual or threatened sanction by any licensing, permitting or registration entity, peer review organization, governmental agency or an agent of a governmental agency, quality improvement entity or any entity charged with reviewing or certifying healthcare

(x) human resources activities, including development of general employment policies and procedures, employment supervision and discipline, administration of employee benefits programs, determination of professional and staff personnel needs, including hiring and termination authority, orientation and training programs, and determination of salary and benefits levels;

(xi) maintenance, repair, and security of the District Health System campus and facilities and the clinical, administrative and financial systems; and

(xii) maintenance and implementation of policies and procedures reasonably necessary for the operation of the District Healthcare System consistent with applicable state and federal law and regulation and applicable UW and UW Medicine policies and rules.

(d) **Incentive Compensation Program.** Currently, a portion of the compensation of the District's Senior Executive Team is contingent upon the District's achievement of certain goals established prior to the commencement of the District's fiscal year (i.e., the "at risk" component of executive compensation). The incentive compensation program will be evaluated on an annual basis by the Board Compensation Committee and the UW Medicine CEO and may, from time to time, be modified subject to the terms of existing employment agreements.

3.9 Representation on UW Medicine Board

Throughout the Term, the Board will be entitled to have two of its Trustees, drawn exclusively from the pool of the Commissioner Trustees and Community Trustees, serve concurrently on the UW Medicine Board. Those individuals will be selected by UW in accordance with its existing UW Medicine Board bylaw provisions, as may be amended in the future, with respect to the appointment of UW Medicine Board members. Such initial appointments to serve on the UW Medicine Board shall be completed no later than the last date upon which the final candidates for the initial slate of the Community Trustees are appointed pursuant to Section 3.4(a).

3.10 Performance Under RCW 39.34.030(5)(a)

(a) **District Compliance.** This Agreement, as authorized by Chapter 39.34 RCW, provides for the exercise of certain powers and cooperative action by the District and UW in managing the District Healthcare System to advance the purpose of the Strategic Alliance as set forth in Article II. Through the activities conducted under this Agreement, the District intends to discharge certain of the obligations and responsibilities imposed upon it by law (in particular, those imposed statutorily by the PHD Act). Accordingly, to the extent that there is actual and timely performance of such obligations and responsibilities through the implementation of this Agreement, such performance is being offered by the District in satisfaction of its obligations and responsibilities under law.

(b) **UW Compliance.** UW Medicine has reviewed and is familiar with the requirements of the PHD Act. UW Medicine shall use its best efforts to comply with all of the applicable requirements of the PHD Act as relates to the operation of the District Healthcare