

**UNIVERSITY OF WASHINGTON
FACULTY COUNCIL ON FACULTY AFFAIRS**

The Faculty Council on Faculty Affairs met on June 7, 2004, at 10:15 a.m., in 26 Gerberding Hall. Chair Kate O'Neill called the meeting to order at 10:15 a.m..

Present: *Regular:* Ceccarelli, Graubard, Hadjimichalikis, Hildebrandt, Luchtel, O'Neill, Wilson
 Ex-officio: Cameron, Blumenthal, Walker, Vaughn
Absent: *Regular:* Demorest, Dzwirek, Janes, Kirtley, Kolko, Lydon-Rochelle
 Ex-officio: Krieger-Brockett, Johnson, Stygall

Synopsis:

1. Minutes
2. Medical School Response to Winn Report – Discussion
3. Proposed Chapter 24 revisions to merit procedures - Discussion

Approval of agenda and minutes

The agenda was approved. The May 26 minutes were approved.

Medical School Response to Winn Settlement report - Discussion

In answer to a Class C resolution passed by the Faculty Senate in October 2002, an FCFA subcommittee investigated and reported on the \$3.7 million settled on Dr. Richard Winn, former member of the UW Medical School, in connection with the Federal investigation of billing practices at University Medical Center. FCFA members and the Senate Executive Committee approved the completed report in May, 2004, which was forwarded to Paul Ramsey, Vice President for Medical Affairs and Dean of the School of Medicine, with a request for comments on the facts in the report by May 31, 2004. The Council also drafted a list of possible remedies and forwarded that to Ramsey with the report.

Kate O'Neill advised the Council that Ramsey's written response was somehow delayed in campus mail, but that Ramsey hand-carried a copy of the report to her office in order to meet the May 31 response date. She said she and Ramsey had a cordial 45-minute conversation, during which he volunteered to talk to FCFA if that would be helpful. O'Neill will continue to work on the issue this summer, with incoming chair Dan Luchtel.

In general discussion of the Medical School response, which runs to 46 pages, Council members had questions about:

- **Accounting/Financial practices:** What are the accounting distinctions involved in the source of the funds that were used to pay the settlement. O'Neill's understanding is that settlements in the entire case will be allocated across all the hospitals based on 2003 revenues. All the settlement money, including the Winn settlement, appears to come from clinical practice, and not from investments or any other source. These would be good questions to have clarified, because that money normally supplements department budgets. Will departments be hurting as a result of the Winn settlement? Who controls the UWP reserve, where does it come from, and is it being properly administered? Why are the figures cited in the response from 2002, instead of 2003 – is it possible to get current numbers?
- **Sarbanes-Oxley concerns:** Does the Medical School have a Corporate Integrity document, in keeping with the Public Company Accounting Reform and Investor Protection Act of 2002? While this is not mandatory for the Medical School, it would be to their benefit to adopt the Sarbanes-Oxley provisions and publicly declare that they have done so.
- **Relevance of the Medical School response:** The Medical School's response is lengthy and may be

correct, but does it answer the questions FCFA asked in its report? The response stated there were factual errors in the FCFA report, but only specifically challenged one statement of fact. The Council wants an itemized list of what, if anything, is factually wrong with the report.

- **Transparency:** The report called for more transparency between the Medical School administration and the Medical School faculty. The response presented copies of many reports, but how easy is it for clinical faculty to access and understand this information? The response also included email exhibits that tried to show that faculty were kept informed, but there was no chronology and it was difficult to understand who the emails were addressed to and who signed off on the information. This does not appear to address faculty shared governance concerns raised in the report. Perhaps the FCFA subcommittee could look at the Med School Website and try to discover whether it is easy or difficult to get information on this issue.
- **Clarity:** There are many administrators and trustees referenced in the report, but not everyone knows who they all are. Should FCFA ask for an org chart and brief bios of each of these people?
- **Other concerns:** What would have been the consequences of NOT settling with Dr. Winn? Why did the UW opt for such a settlement with an employee who could conceivably have been fired for cause? What provisions have been made for improving future communications in the Medical School? What about the current concerns of promoting other faculty who were involved in the over-billing?

O'Neill told the Council that she has obtained the court order in this case, and the gag order has now been lifted. An appropriate question for the subcommittee to pursue with Ramsey would be "What else can you tell us about what happened?"

The subcommittee will work on this over the summer and the council should keep in touch via email. If there are other unanswered questions, please get them to O'Neill. Luchtel will come back with a revised subcommittee report in Fall Quarter.

Chapter 24 retention/merit procedures - Discussion

Bill Wilson raised a question about how the merit policy, especially with respect to retention monies, is being implemented. Large raises are given to some faculty, generally at the last minute, characterized as "for retention," when there are no offers on the table.

Lea Vaughn responded that this has been discussed in the Senate Planning and Budgeting Committee and the timing is partly a function of state monies coming in late during the second half of the biennium. The most heated conversations have occurred around "pre-emptive" offers, where there is no outside offer in hand but there is a valid concern that a faculty member is very far behind in salary and is vulnerable to outside recruitment. There is a question about whether the way the salary policy is used actually subverts the policy, and the discussions have been very lively.

It may be a good idea to have Ross Heath come and talk to FCFA about this in November. By that time, incoming President Emmert may also want to make some policy suggestions.

Recruitment and retention issues will very likely be a Faculty Senate issue going into Fall Quarter. Councils and the Senate are working well, and governance is working well at the small unit level. But at the level of College Councils, there are many questions to be asked. This is an issue that should be flagged for FCFA to look at.

The meeting was adjourned at 11:00 a.m. *Minutes by Linda Fullerton, Recorder.*