



# Board of Regents - Special Meeting

February 2016

February 25, 2016

8:30 a.m. - 9:30 a.m.

Boardroom, McNamara Alumni Center

## BOR - FEB 2016 - Special Meeting

### 1. Appointments to New University of Minnesota Health Board of Directors

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# BOARD OF REGENTS

## DOCKET ITEM SUMMARY

Board of Regents

February 25, 2016

**AGENDA ITEM:** Appointments to New University of Minnesota Health Board of Directors

Review

Review + Action

Action

Discussion

*This is a report required by Board policy.*

**PRESENTERS:** President Eric W. Kaler  
Keith Dunder, Academic Health Center Counsel, Office of the General Counsel

### PURPOSE & KEY POINTS

The purpose of this item is to review and approve the following individuals to serve as the first three of seven Board of Regents (Board) appointees to the new University of Minnesota Health (UMH) Board of Directors:

1. Brooks Jackson, M.D., MBA
2. Kenneth Roering, Ph.D.
3. Patricia Simmons, M.D.

In making these appointments, the Board is asked to delegate to them authority to select a final candidate for the CEO position of UMH and to negotiate and finalize the terms of his or her employment agreement. This authority is subject to a parallel appointment of three members and delegation of authority from the Fairview Health Services (Fairview) Board of Directors, and subject to a written agreement between the University and Fairview.

Because the written agreement between the University and Fairview is not yet available, the Board is also asked to authorize President Kaler to execute a binding agreement with Fairview on behalf of the Board of Regents. This binding agreement will acknowledge the delegated authority of the initial three appointees from each organization, and set forth the arrangements and processes by which they will carry out selection and hiring of the UMH CEO. The employment agreement of the CEO will be effective after all parties enter into the definitive transaction agreements.

The Fairview Board of Directors is scheduled to make its three initial appointments at its February 25, 2016 meeting.

## **BACKGROUND INFORMATION**

- In 1997, the University Hospital was sold to Fairview Health Services and the University of Minnesota Physicians was founded.
- In May 2013, the Board approved the formation of a University-Fairview integrated structure, currently called University of Minnesota Health.
- In February 2014, the Board approved a naming agreement for the integrated structure, UMH.
- In October 2014, the Board received an update on UMH.
- In October 2015, the Board approved a non-binding letter of intent (LOI), signed by the University, University of Minnesota Physicians (UMP), and Fairview. The LOI signaled agreement to enter into a process to develop definitive agreements to combine Fairview and UMP into a single, integrated academic health system and set forth the proposed basic terms of the creation of that system. It outlined the mutual goals of both parties and the identified characteristics of a world-class integrated academic health system.

## **PRESIDENT'S RECOMMENDATION**

The President recommends appointment of Brooks Jackson, Kenneth Roering, and Patricia Simmons to serve as the first three Board appointees to the new University of Minnesota Health Board of Directors.

The President also recommends approval of delegated authority to select a final candidate for UMH CEO, and to negotiate and finalize the terms of his or her employment agreement, which will be effective after the definitive transaction agreements are entered into.

In addition, the President recommends approval of the authorization to allow him to execute a binding agreement with Fairview on behalf of the Board of Regents. This binding agreement will acknowledge the delegated authority of the initial three appointees and set forth the arrangements and processes by which they will carry out the CEO selection and hiring.

## **Appointee Bios**

### **1. BROOKS JACKSON**

Brooks Jackson is vice president for health sciences and dean of the Medical School at the University of Minnesota. He came to the University from Johns Hopkins University School of Medicine, where he served as director of pathology for 12 years.

An internationally recognized researcher in HIV diagnostics, prevention and treatment, Jackson and his colleagues revolutionized HIV prevention in developing countries and published approximately 200 peer-reviewed papers about HIV prevention and treatment research conducted in the United States, Uganda, and China. He is also the principal investigator of the \$500 million NIH-funded International Maternal Pediatric Adolescent AIDS Clinical Trials (IMPAACT) Network. Jackson's work resulted in new drug development and a project to prevent neonatal HIV transmission.

Jackson previously chaired the Blood Products Advisory Committee for the Food and Drug Administration. In 1999 he received the Global Strategies for HIV Prevention Special Recognition Award; in 2004, he received the HIV Prevention Trials Network Service Award.

Jackson earned his MD from Dartmouth Medical School and his MBA at Dartmouth College. He served his residency in clinical pathology at the University of Minnesota Hospitals, where he was a blood bank fellow in the hospitals' department of laboratory medicine and pathology.

### **2. KENNETH J. ROERING**

Kenneth J. Roering is Professor Emeritus in the Carlson School of Management at the University of Minnesota. He occupied the Pillsbury Company-Paul S. Gerot Chair in Marketing from 1982-2004, and chaired the Marketing Department.

Roering has been a consultant to American Express, 3M, Cargill, Carlson Companies, Pillsbury, Medtronic, MTS, Motorola, Target, TSI and US Bank, among others. His primary areas of consulting activity are strategic planning and implementation, CEO and senior executive coaching, marketing strategy, commercialization of technology, and corporate governance. He has served on boards for numerous private and public companies and nonprofit organizations during the past 25 years, including Arctic Cat, St. John's University, and the Children's Theater.

He has published more than 70 articles in professional journals; written two books; and edited three collections of scholarly writings. He has served on numerous editorial review boards of scholarly journals. His research has focused on customer behavior, marketing strategy and performance, organizational performance, and the management of new product development.

Roering has been honored for his research, teaching and work as a corporate director, including Distinguished Doctoral Faculty, University of Minnesota Outstanding Teacher Award, Outstanding MBA teacher Award, and Outstanding Executive Teacher Award. He has been recognized as one of the Outstanding Corporate Directors in the State of Minnesota six times.

Roering earned his doctorate from the University of Iowa and his bachelor's degree from St. John's University.

### **3. PATRICIA SIMMONS**

Regent Patricia Simmons is a retired physician, executive, and professor who was the founding chair of the Division of Pediatric and Adolescent Gynecology at the Mayo Clinic.

At Mayo she served on the Executive Committee of the Board of Trustees and the Board of Governors, as chair of the Executive Board of Mayo Medical Ventures, and as Executive Medical Director for Health Policy. She has been a national leader in her medical field, including president of the North American Society for Pediatric and Adolescent Gynecology, and is recipient of awards for excellence in teaching and public service.

Simmons was elected to the University of Minnesota Board of Regents in 2003, 2009, and 2015. She currently chairs the Faculty & Staff Affairs Committee, and previously served as Board Chair and as chair of the Audit and Academic & Student Affairs Committees. She has served on numerous other boards, including Minnesota Public Radio, Minnesota Chamber of Commerce, the Guthrie Theater, and the Hill Museum & Manuscript Library at Saint John's University.

Simmons received her MD from the University of Chicago, her bachelor's degree from Carleton College, magna cum laude, and completed her residency and fellowship at the Mayo Graduate School of Medicine.



## **REGENTS OF THE UNIVERSITY OF MINNESOTA**

### **RESOLUTION RELATED TO**

#### **Naming Board Members with Authority to Select UMH CEO**

**WHEREAS**, the University of Minnesota (“University”), the University of Minnesota Physicians (“UMP”), and Fairview Health Services (“Fairview”) have a mutual goal to form an integrated academic health system, to be identified pursuant to a license/branding agreement as University of Minnesota Health (“UMH”), dedicated to high quality patient care, leading edge research and training of tomorrow’s workforce; and

**WHEREAS**, this system will require a new Chief Executive Officer and a new Board of Directors; and

**WHEREAS**, it is important to the success of the integrated academic health system that the new CEO, with the required qualifications, be in place by July 1, 2016, and that that CEO be chosen by a board with equal representation appointed by the Board of Regents of the University of Minnesota and Fairview; and

**WHEREAS**, in order to achieve the selection of the new CEO, the University and Fairview agree to now each appoint three members of the new UMH board, the remaining eight members to be appointed four each by the Board of Regents and Fairview prior to the Closing Date of the Transaction; and

**WHEREAS**, the combination of the initial six appointees and the remaining eight appointees will collectively serve as the initial Board of Directors of UMH as of the Closing Date; and

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Regents hereby appoints the following individuals who will serve as the first three (of seven) of the Board of Regent's appointees to the Board of Directors of UMH:

Brooks Jackson, M.D., MBA  
Kenneth Roering, Ph.D.  
Patricia Simmons, M.D.

The Board of Regents delegates to its appointees the authority, subject to the creation of a parallel appointment and delegation of authority from the Board of Directors of Fairview, and subject to a written agreement between the University and Fairview described below, to select a final candidate for the CEO position of UMH from the recommended candidate(s), provided that such candidate is determined to satisfy the requirements set forth in the UMH CEO Job Description, and to negotiate and finalize the terms of his or her employment agreement, which shall be at fair market value and commercially reasonable terms, and which shall be effective only after definitive transaction agreements have been entered into; and

**BE IT FURTHER RESOLVED**, that the Board of Regents authorizes the President of the University, on behalf of the Board of Regents, to execute a binding agreement with Fairview acknowledging the delegated authority of the initial three appointees from each organization and setting forth the arrangements and processes by which the initial six appointees shall carry out the selection and hiring of the UMH CEO, subject to the terms stated above.