

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the
Regents
February 20, 2014

ACTION REQUEST

Subject: Regental Action Required Under the State of
Michigan Conflict of Interest Statute

Action Requested: Authorization for the University to enter into an agreement with ArborMetrix
(University of Michigan Employee John Birkmeyer, MD, Owner/Director)
(University of Michigan Employee Justin Dimick, MD, MPH, Owner)

Background:

The University of Michigan Pediatric Cardiac Critical Care Consortium (PC4) seeks approval to enter into an agreement with ArborMetrix to provide and implement a clinical outcomes registry and reporting system to support the quality improvement initiative to improve the quality of care for children with intensive care hospitalizations for cardiovascular disease.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Drs. John Birkmeyer and Justin Dimick are University employees with the Department of Surgery, Division of General Surgery and would be party to the contract as Owner/Director and Owner, respectively, of ArborMetrix.

However, the Statute allows the University to enter into such agreements if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the contract to the official body which has power to approve the purchase, which disclosure shall be a matter of record in its official proceedings.
- b) The purchase is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the contract.
 - ii) The terms of the purchase, including duration, financial consideration between the parties, facilities or services of the public entity included in the purchase, and the nature and degree of assignment of employees of the public entity for fulfillment of the purchase.
 - iii) The nature of any pecuniary interest.

The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Department of Surgery and ArborMetrix.
- ii) The agreement will provide the University with software licensing, maintenance, and analytical tools to support the quality improvement initiative entitled the Michigan Surgical Quality Collaborative (MSQC). An annual subscription fee of \$10,000 per participating hospital will be paid to ArborMetrix. Currently there are 20 participating hospitals in this initiative bringing the minimal total value of this three year agreement to \$600,000.
- iii) The pecuniary interest arises from the fact that University of Michigan employee Dr. John Birkmeyer is Director/Owner and Dr. Justin Dimick is Owner of ArborMetrix.

Drs. John Birkmeyer and Justin Dimick have met state law requirements with the disclosure of their pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable under the Medical School's or OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the agreement between the University of Michigan and ArborMetrix subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President
and Chief Financial Officer

February 2014