

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
June 17, 2010

ACTION REQUEST

Subject: Establishment of Regents' Health Affairs Committee
Action Requested: Approval of proposed Health Affairs Committee charter and revision of Regents' Bylaw 1.07

Background

At their February 2002 meeting, the regents voted to amend the bylaws to create two committees: the Compensation and Personnel Committee and the Finance, Audit and Investment Committee. In December 2002, the charters for these committees were adopted and the role, responsibilities, and name of the Compensation and Personnel Committee were changed to incorporate a governance function. Given the size of the University of Michigan Hospitals and Health Centers and its critical importance to the financial health, reputation, and mission of the institution, the regents are now proposing a third committee to support the board in fulfilling its responsibilities for oversight in this area.

The proposed Health Affairs Committee charter has been vetted and reviewed by the regents' Personnel, Compensation and Governance Committee, with assistance from the executive vice president and chief financial officer, the vice president and general counsel, and the executive vice president for medical affairs. The proposed charter and revision to Bylaw 1.07 have been posted in *The University Record* as described in the Regents' guidelines for bylaws revisions, and no comments were received.

Recommendation

We therefore recommend approval of revisions to Regents' Bylaw Section 1.07 and adoption of the Health Affairs Committee charter, as outlined in the attached document.

Respectfully submitted:


Sally J. Churchill

Vice President and Secretary of the University

June 2010

Attachment

Proposed Revised Bylaw and Charter *(Additions are underlined; deletions are crossed out.)*

Regents' Bylaw 1.07: Committees *(Revised June 2010)*

C. Standing Committees

There will be ~~two~~ three standing committees of the Board of Regents, each composed of less than a quorum of the members of the Board, appointed by the chair. These committees will advise the Board of Regents on matters pertaining to their subject areas and will present periodic reports and recommendations, but will not have the power to bind the Board of Regents on any matter. These committees will determine the frequency, time and place of their meetings, in consultation with other members of the Board.

1. The Finance, Audit and Investment Committee

This committee will provide assistance to the board in fulfilling its responsibilities relating to the adequacy and effectiveness of the University's internal controls and financial reporting and investment policies and practices. This committee will review, at its discretion, matters that may include the annual audit, financial statements and reporting, investments, and compliance with applicable laws and regulations.

2. The Personnel, Compensation and Governance Committee

This committee will assist the board in evaluating the performance of and determining the compensation for the president. It will advise the president on the performance of and compensation for the executive officers, and will, from time to time, review compensation-related data in order to maintain and enhance the University's competitive status in higher education. The committee will review the University leadership's progress on diversity. It will be responsible for matters related to governance and board performance, and will advise the board on University-wide conflict of interest policies.

3. The Health Affairs Committee

This committee will assist the board in providing oversight of the University of Michigan Hospitals and Health Centers (UMHHC), as set forth in Bylaws 11.42-11.48, and as outlined in the committee charter.

Health Affairs Committee Charter

I. Purpose

The Health Affairs Committee (HAC) reviews and reports to the Board of Regents (Board) on matters concerning the University of Michigan Hospitals and Health Centers (UMHHC) in order to best support the Board in the fulfillment of its responsibilities with respect to the UMHHC. These responsibilities include: (i) establishing the mission, goals, and objectives of the UMHHC; (ii) the quality of medical care services provided; (iii) approval of all major programs and operating budgets; (iv) approval of capital and facility plans; and (v) appointment of the chief executive officer of the UMHHC, as outlined in Bylaw 11.44.

II. Composition and Meetings

The HAC is composed of less than a quorum of the membership of the Board, and the members are appointed by the chair of the Board. The chair of the Board will appoint the chair of the HAC. The HAC may meet as often as necessary but not less than four times in a calendar year.

III. Health Affairs Committee Responsibilities

The HAC will review and provide recommendations to the Board on UMHHC operations and strategic planning, including issues related to the quality, safety, and efficiency of health care provided by the UMHHC and its research activities. The HAC will receive reports and recommendations regarding relevant financial, clinical, research, strategic, regulatory, personnel, and compliance matters as it shall require from time to time. The HAC will present regular and complete reports to the Board.

IV. Resources and Authority

The Health Affairs Committee may investigate or review any matter brought to its attention, and will have full access to all books, records, facilities, and personnel of the UMHHC and the University. The Health Affairs Committee may recommend that the Board engage independent counsel and other advisors at University expense, as it determines necessary to carry out its duties.

V. Adoption of Charter

The Board of Regents has adopted this charter on [Date]_____.