

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

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,
President/Founder)
(University of Michigan Employee Justin Dimick, MD, MPH, Co-Founder)

Background:

The University of Michigan Department of Urology seeks approval to enter into an agreement with ArborMetrix to provide an electronic system based on its proprietary platform for facilitating collection of specified clinical and administrative data at participating physician offices, measure risk and reliability-adjusted outcomes, and report through an application dashboard.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Drs. John Birkmeyer and Justin Dimick are University employees in the Department of Surgery and would receive payment from the University for work performed by 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.

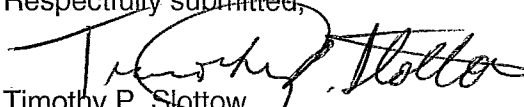
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Department of Urology and ArborMetrix.
- ii) This agreement will provide the University with software licensing, maintenance and analytic tools for the collection of specified clinical and administrative data to support the Michigan Urological Surgery Improvement Collaborative (MUSIC). The term of agreement shall be for 3 years effective 2/01/2012. The total for software licensing, analytics, and on-going maintenance is \$475,000.
- iii) The pecuniary interest arises from the fact that University of Michigan employee Dr. John Birkmeyer is President/Founder and Dr. Justin Dimick is Co-Founder 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

January 2012