

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 amend an agreement with ArborMetrix
(University of Michigan Employee Justin Dimick, MD, MPH, Co-Founder and
Part Owner)

Background:

The University of Michigan Department of Surgery seeks approval to amend an agreement with ArborMetrix to provide and implement a measurement and reporting platform to support the Michigan Value Collaborative (MVC) quality improvement initiative. This agreement will enhance the existing MVC platform.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Dr. Justin Dimick is a University employee in the Department of Surgery, Division of General Surgery and would be party to the contract as Co-Founder and Part Owner 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.

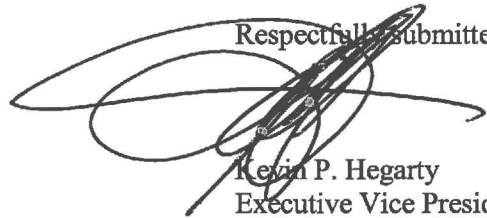
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Department of Surgery and ArborMetrix.
- ii) The amendment is to increase the scope of the reporting platform and to extend the agreement through July 1, 2020 at a total cost of \$1,750,000 consisting of five annual subscription payments of \$350,000 each.
- iii) The pecuniary interest arises from the fact that University of Michigan employee Dr. Justin Dimick is Co-Founder and Part Owner of ArborMetrix.

Dr. Justin Dimick has met state law requirements with the disclosure of his 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,

A handwritten signature in black ink, appearing to read "Kevin P. Hegarty", is written over the typed name and title. The signature is stylized with large loops and a long horizontal stroke extending to the left.

Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

October 2015