



**JOINT VIRGINIA COMMONWEALTH UNIVERSITY
BOARD OF VISITORS
AND
VCU HEALTH SYSTEM AUTHORITY
BOARD OF DIRECTORS
JOINT TASK FORCE
JAMES CABELL LIBRARY
MARCH 3, 2023**

MINUTES

COMMITTEE MEMBERS PRESENT

Ambassador Carmen Lomellin, Co-Chair

Dr. Wally Smith, Co-Chair

Mr. H. Benson Dendy III, *Rector*

Dr. Michael Rao, Chair

Mr. Anthony Bedell

Mr. Clyde Clark

Dr. Alice Coombs

Mr. Steven DeLuca

The Honorable Peter Farrell

Ms. Ellen Fitzsimmons; *virtual pursuant to Code Section 2.2-3708.3(B)(3) where the member's principal residence is over 60 miles from the meeting location – Walland, TN*

Mr. Donald Gehring

The Honorable Todd Haymore

Dr. Marlon Levy

Ms. Fay Manolios

Mr. Keith Parker

Dr. Clifton Peay

Delegate Roxann Robinson

COMMITTEE MEMBERS ABSENT

Dr. Lance Hampton

OTHERS PRESENT

Ms. Chelsea Gray, *Executive Director of Board and Executive Operations*

Ms. Stephanie Hamlett, Esq., *Virginia Commonwealth University Counsel*

Ms. Mary Tacconi, *Board Administrator & Assistant Secretary to the VCU Health System Authority Board of Directors*

Ms. Anne Scher, *Interim General Counsel, VCUHSA*

Virginia Commonwealth University and Virginia Commonwealth University Health System Authority Staff and Guests

CALL TO ORDER

Dr. Smith called the meeting to order at 9:05 a.m. The public was able to view the open session of the meeting via livestream at <https://mssvideo.vcu.edu/BOV>.

The Rector thanked the group for agreeing to serve on the Joint Task Force. The purpose of the group is to strengthen the VCU enterprise governance. The charge given is twofold – identifying ways to address communication between the two boards, and ensuring that best practices are being used in governance models. Moving forward, the two boards will need to work together to benefit from this collective work. The Task Force will complete its work by September of this year.

President Rao addressed the Joint Task Force by saying that it is critical to the future success and viability of the organization –addressing the critical mission of this enterprise. These are important public missions – education, research and clinical care. VCU is here to solve vexing problems, especially those who are disproportionately impacted by these problems. Poverty is a huge issue that is connected to all of this. VCU has a huge responsibility to make sure the future of VCU and VCUHS are doing the things that add value to the people of Virginia – ALL the people of Virginia. The patients need VCU. Safety net services are critical – especially those with comorbidities. VCU provides fully competitive health care with the best outcomes, with the same or even more affordable costs. Taxpayers expect and patients want to see VCU move rapidly and make sure that we are focused on timely, accessible, high-quality care and education. Research that provides hope, an opportunity for equity that doesn't exist right now. The hospital and university are inextricably linked, interdependent.

HISTORY OF VCU/VCUHS HISTORY

Ms. Stephanie Hamlett, Esq., Virginia Commonwealth University Counsel, presented the history of the two governing boards. A copy of the summary is attached hereto as *Attachment A*.

CLOSED SESSION

Ambassador Lomellin moved that the Joint Task Force convene a closed session under Section 2.2-3711(A)(1) of the Virginia Freedom of Information Act for the discussion of personnel matters related to an Executive Position; under Section 2.2-3711(A)(23) to discuss operational strategies where disclosure of such strategies would adversely affect the competitive position of the Authority; and under Section 2.2-3711(A)(29) for the discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

Following the closed session, the public was invited to return to the meeting. Ambassador Lomellin called the meeting to order. On a motion duly made and seconded the following resolution of certification was approved by a roll call vote:

Resolution of Certification

BE IT RESOLVED, that the Joint Task Force certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered by the task force.

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Ambassador Carmen Lomellin, <i>Co-Chair</i>	X	
Dr. Wally Smith, <i>Co-Chair</i>	X	
Mr. H. Benson Dendy III, <i>Rector</i>	X	
Dr. Michael Rao, Chair	X	
Mr. Anthony Bedell	X	
Mr. Clyde Clark	X	
Dr. Alice Coombs	X	
Mr. Steven DeLuca	X	
The Honorable Peter Farrell	X	
Ms. Ellen Fitzsimmons	X	
Mr. Donald Gehring	X	
The Honorable Todd Haymore	X	
Dr. Marlon Levy	X	
Ms. Fay Manolios	X	
Mr. Keith Parker	X	
Dr. Clifton Peay	X	
Delegate Roxann Robinson	X	

All members present responding affirmatively, the resolution of certification was adopted.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:08 a.m.

VCU Health System Governance History Snapshot

1838	The Medical Department of Hampden-Sydney College opens.
1854	The Medical Department of Hampden-Sydney College receives an independent charter from the Virginia General Assembly and becomes the Medical College of Virginia.
1860	MCV conveys all its property to the Commonwealth of Virginia and becomes a state institution.
1893	College of Physicians and Surgeons, later University College of Medicine (UCM), was established by Dr. Hunter Holmes McGuire just three blocks away from MCV.
1903	Memorial Hospital opens as a private hospital but is used by the faculty at MCV.
1913	MCV and UCM merged to be the Medical College of Virginia.
1968	Virginia Commonwealth University was created by an Act of the General Assembly through the merger of Richmond Professional Institute and the Medical College of Virginia.
1993	<p>VCU President Eugene Trani submits a Request for flexibility/report on long term policy options for the VCU/MCV Hospitals to the Joint Commission on Health Care (House Joint Resolution No. 623).</p> <ul style="list-style-type: none"> ● The report recommends flexibility for teaching hospitals so they can compete in the healthcare market through the creation of a new governance structure. The executive director of MCV Hospitals requests that the VP Health Sciences consider MCVH removal from the state system – personnel, purchasing, construction, etc. The report cites specific barriers to compete in the evolving healthcare marketplace: <ul style="list-style-type: none"> ○ Ability to pursue joint ventures, partnerships, etc. ○ Ability to quickly acquire, sell and lease property ○ Timely construction of facilities ○ Competitive salaries and fringe benefits ○ Ability to quickly borrow money and take significant financial risks ● The report specifically recommends a hospital authority to free MCVH from many of the procurement and personnel policies that inhibit hospital

	<p>management and the entity's ability to compete, take risks and joint ventures in the marketplace.</p>
1995	<p>"A Feasibility Study: Privatizing Virginia's Teaching Hospitals" is conducted by the state Department of Planning and Budget in cooperation with representatives from VCU/MCV Hospitals and UVA Medical Center. The study concludes:</p> <ul style="list-style-type: none"> • Structured as they are, Virginia's teaching hospitals cannot take advantage of many business opportunities that their competitors actively pursue. • The most appropriate privatization options appear to be establishing a public authority or to create a nonprofit 501(c)(3) corporation. These options preserve the missions of the hospital while providing needed flexibility. • Other options, explored by the study team, notably the establishment of subsidiaries of the boards of visitors, are feasible. However these options pose significant risks to the revenue stream and missions of teaching hospitals and therefore are not recommended as viable. • The Secretary of Education may wish to recommend that the governor submit privatization legislation for consideration by the 1996 General Assembly.
1996	<p>The Medical College of Virginia Hospitals Authority is created by the Medical College of Virginia Hospital Authorities Act.</p> <ul style="list-style-type: none"> • Overlap of BOV and BOD established (16-member board of directors comprised of gubernatorial, legislative, and VCU appointees and two ex officio members) • VCU president is a member of the authority board • MCV Hospitals has an executive director who is not required to be vice president of health sciences <p><i>Note: Instead of establishing an authority, the University of Virginia opted for legislation that provided the university with exemptions for its Medical Center to have greater flexibility and autonomy of business operations.</i></p>
1997	<p>June 10, 1997 Affiliation Agreement between Virginia Commonwealth University and the MCV Hospitals Authority. Pertinent sections:</p> <ul style="list-style-type: none"> • The University and Authority further recognize that, due to their collaborative relationship, actions taken by one could significantly affect the

	<p>other, particularly with respect to fiscal administrative or information technology activities. The University and the Authority agree to work cooperatively regarding these activities, through the presentation of reports to the Authority Boar and the Board of Visitors, among other mechanisms.</p> <ul style="list-style-type: none"> ● The Authority and the University agree that regular communication and sharing of information between the parties is essential to ensure that their activities are appropriately coordinated and that their patient care, education and research missions are accomplished. <ul style="list-style-type: none"> ○ At least one joint meeting of the Authority Board and BOV annually ● The Authority and University agree to coordinate and share financial and administrative information to support the activities of both parties. ● The University and Authority agree to the importance of presenting a unified external image and avoiding the perception that the two are in competition or in conflict with each other. To this end, the VCU Office of External Relations shall be responsible for all external contacts relating to the media, government and community relations for the University and the Authority. ● The parties commit to timely and expeditious resolution of all disputes that affect a successful collaboration..through a three-part resolution process: <ul style="list-style-type: none"> ○ Negotiations by appropriate representatives of each party. If unresolved, then ○ Three-person committee (two from the negotiating team each representing the university and authority, and a third selected jointly by the two members). If unresolved, then ○ The full BOV and BOD each consider and agree on a final determination.
2000	<p>Legislation passed to change the name of the MCV Hospitals Authority to the Virginia Commonwealth University Health System Authority.</p> <ul style="list-style-type: none"> ● Legislation includes the requirement that the VCU VP Health Sciences and the VCU Health System be the same person; The BOV and BOD at a joint meeting make employment decisions related to that position. ● Merges MCV Hospitals and the physician-faculty practice. ● Increases the membership on the VCUHS board by five physician-faculty members: two to be appointed by the governor, two to be appointed by the Speaker of the House and one to be appointed by the Senate.

2008	<p>VCU is designated Level (Tier) 3 authority under the Restructured Higher Education Financial and Administrative Operations Act of 2005.</p> <ul style="list-style-type: none"> • This highest level of financial and administrative operational authority is granted to a select group of institutions through a management agreement between the institution's Board of Visitors, the Governor and the General Assembly. Level 3 institutions have operational authority in the areas of capital outlay, information technology, procurement, human resources, and finance. (UVA, VT, CWM 2006; VCU 2008; JMU ; 2019; GMU 2021)
2012	VCU Adopts a new seal featuring the Egyptian Building and the names of the two schools merged to form the university
2014	<p>Legislation is enacted that makes the VCU president chair of the VCU Health System Board of Directors.</p> <ul style="list-style-type: none"> • The legislation also provides that if the joint boards cannot select the VP Health Sciences/CEO position then three members of each board will select, and if that fails, the VCU president decides.
2015	2015 VCU Health is adopted as the brand for the health system.
2023	<p>State Senator Jennifer McClellan, VCUHS BOD member and in cooperation with the BOD, files an amendment to the state budget to strike language that was included in Gov. Youngkin's proposed budget related to the CEO/VP of Health Sciences role. She filed a companion piece of legislation, SB 1499, which makes one change to the existing statutory language: The chief executive officer shall <i>may</i> be the individual who holds the title of Vice President for Health Sciences of Virginia Commonwealth University....</p>