INTEGRATION UPDATE SHEET

JANUARY 25, 2016

Current Status

• University and UMPhysicians work teams are finalizing their efforts to identify and develop the key attributes necessary to creating a truly exemplary Integrated Academic Health System. These will provide a starting point for negotiations and a platform for the longer-term work of creating a new system.
• Executive leaders are still involved in negotiations necessary to the drafting of legal documents, or the definitive agreements.
• We have jointly hired ECG, an external integration firm that has already begun their onsite work, bringing best practice tools and processes to facilitating the integration process.

What Happens Next: Understanding the Process

There are a number of steps that must take place before definitive agreements can be drafted.

• Completion of due diligence assessments by all parties,
• Completion of financial pro forma statements, and
• Negotiation of terms for the agreements.

The parties then will draft the definitive agreements that will incorporate the key terms for creating a new Integrated Academic Health System.

Then we move to the voting process.

• First the UMPhysicians board of directors will vote on the definitive agreements.
• Then the terms of the agreement will be shared with voting faculty physicians, and voting will open for the physicians.
  o An important note here about the faculty vote – the faculty are not voting to approve or disapprove the definitive agreements, but will be asked to vote on a complete rewriting of the UMP Articles of Incorporation and Bylaws.¹ As part of creating a new Integrated Academic Health System, while UMP will remain a separate corporate entity, the UMP Board of Directors as currently comprised, will be replaced to enable it to become part of the New M Health system. As a result, the faculty vote is a necessary component to achieve an integrated system. Note that no other physician group involved with the integration is governed by the bylaws.
• Following those votes, the definitive agreements move to the Fairview board of directors for a vote.
• Finally, the Regents of the University of Minnesota will vote on the definitive agreements.

¹ The UMP Bylaws require that faculty physicians approve any change to the composition of the Board, method of election of the Board or the term of the members of the Board of Directors.
The recruitment of a new Board of Directors and search for a new CEO is taking place now, and once the new entity’s Board is seated, and a new CEO is in place, the definitive agreement will take effect.

**Now is The Time To Engage!**

Input from faculty is critical now as definitive agreements are being negotiated.

- Reach out to UMP Board members.
- Talk to your department chair and attend meetings on this topic.
- Read your Integration e-mails and respond with questions or comments.
- Ask a question via the [Integration Website](#)