



OREGON
HEALTH & SCIENCE
UNIVERSITY

OHSU Board of Directors Meeting

**April 23, 2015
1:30 pm – 3:00 pm**

**School of Nursing
Room 358/364**



OREGON HEALTH & SCIENCE UNIVERSITY BOARD OF DIRECTORS MEETING

April 23, 2015
1:30 pm – 3:00 pm
School of Nursing, Rooms 358 & 364

1:30 pm	Call to Order/ Chairman's Comments President's Comments Approval of Minutes (Action)	Jay Waldron Joe Robertson, M.D. Jay Waldron
1:45 pm	Financial Update	Lawrence Furnstahl
2:00 pm	Extending credit support for variable rate debt (Action)	Lawrence Furnstahl
2:15 pm	Board Survey Report	Jay Waldron
2:30 pm	Adopt board policy re: faculty engagement (Action)	Connie Seeley/Jay Waldron
2:45 pm	Adopt Committees (Action)	Jay Waldron
2:55 pm	Other Business, Adjournment	Jay Waldron

**Oregon Health & Science University
Board of Directors Meeting
January 29, 2015**

Following due notice to the public, the regular meeting of the Board of Directors of Oregon Health & Science University (OHSU) was held at 10:00 a.m. in the School of Nursing, room 358/364, 3455 S.W. Veterans Hospital Road, Portland, Oregon.

A transcript of the audio recording was made of these proceedings. The recording and transcript are both available by contacting the OHSU Board Secretary at 3181 SW Sam Jackson Park Road, Mail Code L101, Portland, Oregon 97239. The following written minutes constitute a summary of the proceedings.

Attendance

A quorum of the Board was present. Board members in attendance were Jay Waldron, Chair, presiding; Maria Pope, Vice Chair; Frank Toda; Joe Robertson; MardiLyn Saathoff; David Yaden; Suzy Funkhouser; Amy Tykeson and Prashant Dubey. Also present were Lawrence Furnstahl, Chief Financial Officer; Jenny Mladenovic, Provost; Brian Shipley, Associate Vice President, Government Relations; Connie Seeley, Board Secretary and OHSU Chief of Staff; other OHSU staff members and members of the public.

Call to Order

Jay Waldron called the meeting to order at 10:03 a.m. Mr. Waldron briefly outlined the meeting agenda and asked Joe Robertson to begin the meeting with the president's comments.

President's Comments

Dr. Robertson's comments covered the following topics:

Dr. Louis Picker

Dr. Robertson reported that Dr. Picker had another landmark paper published. The paper describes how low levels of the AIDS virus remain hidden mostly in B-cell follicles.

Collaborative Life Sciences Building

Dr. Robertson gave a progress report on the CLSB, that the feedback indicates that the building is running beautifully and is doing everything it was designed to do.

Healthcare Transformation

OHSU is leading the pack in healthcare transformation in Oregon. Costs will reduce, quality indicators will improve, and OHSU has been central in this process.

OHSU Foundation

The Foundation continues to be successful, not just in raising funds for the Knight Cancer Challenge, but for other programs across the University. The Knight Challenge has raised \$454 million from 8,576 individual donors. Non-Knight Challenge fundraising is at the \$187 million level from 21,000 donors.

Approval of Minutes

Mr. Waldron asked for the approval of the minutes of the October 23, 2014 Board meeting, included in the Board Docket. Upon motion duly made by David Yaden and seconded by Maria Pope, the minutes were unanimously approved.

FY15 First Half Financial Results

Lawrence Furnstahl

Mr. Furnstahl reported OHSU's operating income through December is \$37.8 million. Not included in this number is a payment, the Hospital Transformation Performance Program. It is part of Oregon's Medicaid Coordinated Care Organization Transformation. It is funded in large part by hospital provider tax, and then with money match with the government. Figuring all this in, we would end the year about \$20 million or so over budget at the mid 90s, about \$95 million. So OHSU continues to perform well.

The challenge Mr. Furnstahl made note of is services and supply expense, particularly supplies. They are running above the growth rate of revenue. Eleven percent year over year compared to seven percent year over year in operating revenues. Mr. Furnstahl said OHSU has a full court press throughout the university to understand and to control these expenses and to bring them back into line.

Depreciation and interest are up 10-14% over the previous year, and that is the effect of the CLSB opening.

On patient care activity, the best metric is inpatient admissions adjusted for the intensity of care, what is called Case Mix Index, and adjusted for the equivalent outpatient care. At 53,000 through six months it is running right on budget.

Prashant Dubey asked Mr. Furnstahl: Is the case mix index calculated on inpatient and outpatient stays, or just inpatient stays? Mr. Furnstahl replied: It was calculated on Inpatient stays. If you look at the complexity required to treat all inpatients across the country, that was set at 1.0. Having a case mix index of 2.0 means on average our inpatients are twice as complex or require twice as much resource to care as your typical inpatient in a hospital in the U.S.

Mr. Dubey asked if Mr. Furnstahl foresees that increasing even further. Mr. Furnstahl replied that he does.

Mr. Dubey asked if it is as high as it can go. Mr. Furnstahl responded that he anticipates this to creep up at roughly one basis point a year, or about 1% approximately, per year.

Amy Tykeson asked if the case mix complexity is then reflected in the average stay. Mr. Furnstahl replied it is. He explained the length of stay falls over a longer period of time. When the shorter one or two day stays are moved out of the inpatient hospital and into ambulatory care settings, then what remains has the longer average stay. Those two move pretty much in tandem.

David Yaden asked if there is any significant difference in the margins among the various categories of admissions. Mr. Furnstahl replied there is. Inpatient payments for the same dollar of resource put in, the payment received is much higher. And the extra payments that teaching hospitals get tend to be loaded on the inpatient side rather than the outpatient side. As you shift from inpatient to outpatient you are shifting from higher payment rates to lower payment rates. One reason is nationally health care costs have actually been rising less quickly than they have historically.

Mr. Dubey asked Mr. Furnstahl: As patient days of length of stay remain high because of the case mix being high and going up, how much room is there to impact services and supplies when physicians are going to say 'I need my custom pack in order' and everything is going to be bespoke, it's extreme. But you are not going to have a lot of repeatability maybe in the procedure center. Mr. Furnstahl replied that we are trying to do complicated things simpler, and make sure everyone is focused on the most streamlined process.

Suzy Funkhouser asked if we track the complications of outpatient procedures and hospital readmits, and is there any sort of risk with reimbursement with Medicare for outpatient readmission or seen on the indigent? Mr. Furnstahl replied that there is a national focus on Medicare readmissions, meaning if a patient has been discharged from the hospital and gets readmitted quickly, it is probable that they were discharged too soon or without proper follow-up care. Now they are actually penalizing in terms of payments about that. And there is evidence nationally that that is having a real effect.

Ms. Tykeson said at last meeting Mr. Furnstahl had mentioned that we had an auto enroll for Cover Oregon, and then we were into the next phase; have we seen a slippage? Mr. Furnstahl answered that that is probably coming up in this quarter. The good news for us is that the dollars are concentrated in a relatively small number of people, and if they are at OHSU, they tend to have fairly serious diseases. Like every state who is in expansion does in keeping people who are eligible enrolled, we have it a little bit easier both because we have a track record of doing it well, and the dollar weighting is concentrated in a relatively small number of people.

Mr. Furnstahl concluded his presentation with short comments about OHSU's balance sheet and cash flow. He then offered to answer any questions.

Mr. Waldron asked how OHSU is doing with cash on hand after the first half? Mr. Furnstahl replied it is down a little, but about at the same level as one would have thought with seasonality considered. OHSU ended the year with about 200 days' cash on hand, up from 170 days or so several years ago. OHSU usually dips somewhere between 180 and 190 in mid-year and then comes back up, and we are following that pattern.

Changing our Culture to Improve the Health of all Oregonians

Jeanette Mladenovic, M.D.

Dr. Mladenovic spoke to some of the changes that OHSU is undertaking to address the healthcare of all Oregonians. She gave a brief historical view of population health, and then described the challenges facing the healthcare system today with respect to public health. She introduced Dr. Elena Andresen, the Interim Dean of the OHSU/PSU School of Public Health, and shared how this new venture aligns OHSU's institutional strengths and our faculty and students into a single school, and how population health fits into our whole system.

Ms. Tykeson asked Dr. Mladenovic to comment a bit more on the disparities. She asked if Dr. Mladenovic was talking about health or certain population groups, or something else? Dr. Mladenovic replied that it is important to understand that there is a science to understanding the difference in how populations respond to interventions. When looking at a list of potential disparities, it is important that students understand how those disparities affect healthcare outcomes. Therefore, there will be a core curriculum or knowledge content that is required, plus an experiential content, where they will have to work in communities to see that and overcome those barriers and action. Understanding the impact, for instance, of socioeconomic status on the outcomes of a certain disease is probably the only way we can impact the health of certain populations.

Mr. Prashant asked if graduates from this program when it is established, will receive PhDs and Masters in Public Health? Dr. Mladenovic replied that that is correct. Mr. Prashant asked if they will not also be medical students? Dr. Mladenovic replied that it is very common for students to get dual degrees. She said we have a very active MPH program in the School of Nursing that is moving into the School of Public Health. And we have a number of medical students. We have a had a dual track for a long time, MD/MPH track. It is open to all students. One of the great things that is happening at OHSU is we are changing our model so that students from any school and any program can take courses across the campus. There is a great on-line program that allows everybody from outside the community. In other words, people in rural Oregon can get their Masters of Public Health also.

Mr. Prashant asked how this manifests at the patient experience level? He said he could envision a doctor who does not have a joint degree, being told what to do and how to do it by someone who didn't attend medical school. And that tension may manifest in terms of the guardrails that are placed and how a clinician can care for the patient who they feel responsible for. Since this is a new, evolving model, how do we clear that tension? Dr. Mladenovic replied that this perfectly describes the classic tension of the mid 90s, which was an insurance

company telling a physician what could or could not be provided, and having a gatekeeper at the primary care model. Dr. Mladenovic said she thinks we have moved way beyond that. If you look at medical students, you find they are engaged. There was a direct connection between going to medical school and practicing when you finished. Now physicians are engaged in directing healthcare, public health at all sorts of different career tracks. It's basically maybe a different career track, but it will be important in the leadership. Dr. Mladenovic went on to say that she does not see this as being a problem at all. If anything, physicians over this time period have moved more into leadership roles. There is lots of evidence that it is important that professionals, healthcare providers, be involved in the direction and the outcome and the management of healthcare as we move forward. She sees this as not back to the '90s at all, rather a totally different approach. It is actually much more collaborative, which is great for the patient, because they are not just dependent on that phone call to the physician.

Ms. Tykeson asked if the PhDs are offered now at PSU, and what is the accreditation roadmap? Dr. Mladenovic replied that this is an interesting way to become accredited. You have to have graduates from the programs before your school can be accredited. All of our programs are approved thanks to Dr. Andresen's work. They have all been through the OUS system before they were disbanded. And we actually have a graduate of two of our programs. And we have other individuals in those programs. So they are ongoing and this July we will be enrolling students in a combined manner. When they graduate, they will have OHSU and PSU on their graduation certificate. And we are submitting our materials in the spring for accreditation.

MardiLyn Saathoff asked Dr. Mladenovic to elaborate on the collaboration with PSU. She asked if there are separate programs that students are allowed to cross over? Dr. Mladenovic responded no. Ms. Saathoff then asked if there is actual decision making that is collaborative? Dr. Mladenovic responded that it is a really very unique model and she and the PSU provost, Sona Andrews, made it up. She explained there was a hefty long list of accreditation requirements. Their goal was to say they wanted a school that has mutual respect for the accomplishments of the faculty that have been in these two schools, that actually acts as one faculty, so students see it as seamless. They began to think about what the model is. It is a dean that reports to two provosts. It is a budget that is constructed together with both resources. It is a leadership team under the dean that takes into account the leadership of both institutions previously. The students will come into one application and it will be seamless to them.

Dr. Toda told Dr. Mladenovic that he was particularly excited about the possibility of a degree in public health. He just co-led an Oregon Solutions Initiative in the Gorge that went for six months, in which they were focused on the CCO, the outpatient focus, the need for homecare, the burgeoning technology change, the many specialists and the complex payment systems. They were addressing all the little bits and pieces of the patients that were coming forward on a survey and saying, we cannot deal with this and so a conversation was facilitated with 25 healthcare-related organizations in the Gorge. Dr. Toda said it was almost like a roadmap of what Dr. Mladenovic just presented, and they consolidated into two organizations that are now moving forward with developing a community health worker team approach.

Upon seeing Dr. Mladenovic's presentation here, Dr. Toda feels this is an opportunity to use educational structures and systems to expand the understanding of community health. He said the one organization that stepped up and said we understand community health was Portland State University. One of the things done as a result of the Oregon Solutions Initiative, which was sponsored by the governor's office, was community health worker training. That community health worker training is being offered by Portland State University in collaboration with another college in the Gorge that is making a difference in terms of helping people understand what is available and how to process all those complex new forms. Dr. Toda wished Dr. Mladenovic good luck. Dr. Mladenovic thanked Dr. Toda for his comment, and said that they recognized PSU's great strength in community health. Dr. Toda replied that he supports Dr. Mladenovic's proposal.

Mr. Waldron said he was intrigued when Prashant was asking about the tension between care and reducing the need for care. And he thought that we have two experts on that here, Mardilyn Saathoff and Maria Pope. Because for the last 30 years Oregon's utilities have worked hard at conservation, which is almost the exact same tension that you face between treating someone and preventing the need to treat someone. Dr. Mladenovic said to Ms. Saathoff that she would love to hear her comments. Ms. Saathoff replied that it is a longer story.

Mr. Yaden said he wanted to give a tribute to both OHSU and PSU for focusing this effort on population health, disparities, and finally the needs of Oregon and Oregonians. He feels it is an extraordinary effort in that regard. Dr. Lee Hood was here and spoke at the Portland City Club. His contention is that to really do anything, you have to focus on the so-called context of individual decision making, and that cannot be improved outside of a very systemic effort. And that cannot be built from within any of the models we have now, that it has to be built almost from outside, and that there will be indeed a separate wellness industry that takes shape. He asked Dr. Mladenovic if she had a comment about that? Dr. Mladenovic replied that Lee is always entertaining in his systems biology approach, and what his work has done historically is draw attention to the fact that everything is about a system. She has no doubt that there will be all sorts of new industries, for instance have your genes analyzed and we will get back to you with what that means. She said the "we will get back to you" part has a long way to go, which is an important concept not to lose sight of. She explained that this is what we had done, train somebody and educate somebody, but it was on a one-to-one basis. And then we would read the literature, we just never knew where the person fit in the literature and did not know all of the constraints of that individual's biology, their healthcare system and their social determinants. Dr. Mladenovic said in many ways his system's biology has made us all think differently.

Legislative Agenda

Brian Shipley

Mr. Shipley stated that the legislature will be in session from Feb. 1st to June 30th, or July 17th, the constitutional maximum. The legislature will be looking at almost 3,000 bills, and OHSU's

Government Relations Department will be tracking about 2/3 of those. Among the major focuses for OHSU: protecting OHSU's state appropriation, as well as the funding for debt service on bonding. Mr. Shipley noted that with the investment of the \$200 million for the Knight Cancer Challenge, comes a number of conditions and reporting requirements. Mr. Shipley anticipates the Knight Cancer Institute will have a presence in the session, reporting on the planning and work that is being done to get ready to break ground on the buildings as well as recruitment of the Knight Cancer Institute.

Ms. Saathoff asked if these reports will be the first time the legislature or individuals have heard about the progress, or have we been keeping people informed along the way? Mr. Shipley replied that we have absolutely been keeping people informed along the way. We have been presenting to interim legislative committees. And, with the opening of the Collaborative Life Sciences Building, as recently as last Tuesday we have been bringing lots of legislators through, and building into that updates on the Knight Cancer Challenge.

Mr. Shipley continued, describing the recurring negotiating/expiration cycle of the Medicaid tax, and voicing his optimism that the current deal will be renewed and extended for two more years. He described the coming 17/19 biennium, with a projected billion dollar gap, and the need for remedies.

Mr. Yaden asked if the gap is due to the federal share of the expansion going from 100% to 90% at some point? Mr. Furnstahl responded that that is not the major cause. On the 650,000 Oregonians that were on Medicaid or the Oregon Health Plan before expansion, Oregon has to put up about 40 percent of the dollars and then the Federal government matches that with about 60 percent of the dollars. On the 300,000 new members under expansion, the Federal government is currently funding 100 percent. In about three years or four years, they will fund 90 percent and Oregon has to put up 10 percent. But within that total, the 40 plus the 10, the question is where is Oregon's share? Some of that is now being covered. The arrangement that the Governor of Oregon struck with the Federal government of \$1.9 billion coming in from the Federal government, some of that is filling the component. When that tails off, which it will in a year, we have to come up with funds for Oregon's share of the match. So, that is actually the biggest issue. In other words the phasing out of that original \$1.9 billion lump of funds. It is compounded by the 100 percent funding going to 90 percent.

Ms. Tykeson asked Mr. Furnstahl if he said that there were 650,000 Oregonians in the Oregon Health Plan and then another 300,000 were added, so about a million people? Mr. Furnstahl replied that there are about a million people now getting their healthcare through the Oregon Health Plan.

Mr. Yaden commented that a billion is a huge number.

Mr. Shipley acknowledged that it is on people's mind, but not necessarily wanting to think about it for very long at one time.

Maria Pope asked Mr. Shipley on this issue, as well as a continuation of the Knight debt service payments, did he expect any action to be taken or just discussion? Mr. Shipley replied that there is action needed. Ms. Pope asked if, in terms of the billion dollars and the larger shortfall, did he expect action? Mr. Shipley explained that he did not expect action, rather he expects efforts to try to get it on folks' radars and trying to get folks to start thinking about it. He expects the real work will happen during the interim after the legislative session.

Ms. Pope asked if there is any action that needs to be taken on the continuation of the Knight Cancer Challenge and the debt service payments, or is that just automatically given the prior authority that you received in the budget? Mr. Shipley replied that the key element that has to happen this time around is the budgeting for the debt service, because the budget for the next biennium will be set here. Legally, the commitment happened previously.

Mr. Shipley continued his presentation, stating that OHSU has been largely untouched by what is going on in the restructuring of the Oregon University System, as other universities in the system pursue their own individual governing boards. The interest in OHSU's experience over the last 19 years will continue to be very high. There are opportunities for legislators to scrutinize OHSU's relationship with the state and the makeup of our board and the way that our budget is put together and the way that our programs are approved. We are on guard to protect the current relationship that has been so successful for OHSU and the state.

Ms. Saathoff asked Mr. Shipley if he has heard anything about issues they are having with our statutory structure and authority? Mr. Shipley replied no complaints about outcomes. He said there are a lot of positive feelings. The legislature continues to invest in OHSU and the universities continue to point to OHSU as the example oftentimes of the kind of thing they want to do as they try to change their own governance structure. There have been bills introduced in that 1500 to make changes to the way things are structured. Some are more significance than others, were they to become law.

Mr. Yaden said that the real risk is the push by others to say we want to be just like them, which just exposes. He went on to say that he does not think that there is any sense that he has heard that there is anything wrong at all with the way that OHSU is currently established. Mr. Shipley agreed, saying it does not mean that there is not a lot of creative thinking or wondering about how things might be different.

Mr. Waldron asked if the University of Oregon or Oregon State get an enormous amount of state funding, or is it around 3%, like OHSU? Mr. Shipley informed Mr. Waldron that it is an enormous amount of money, but he doesn't have the figures off the top of his head. **Mr. Yaden** agreed, saying that it is a larger amount of funding, but it is hard to do an apples to apples comparison, because the real focus ought to be on the educational mission and the amount of money that gets spent there. It is almost a futile effort to get people to agree. University of Oregon is now at about 20% or so of their education and general fund. They are at less than 10%, significantly less, if you count everything they do. So that is the difficulty.

Dr. Robertson said with regard to an update on the actual number, it is well under 2 percent, but our compact with the state is about much more than the operating budget. There are really three components to it. One, is this tremendous enabling legislation that we have that is the epitome of what enabling legislation can be and is envied by all public academic health centers around the country. Dr. Roberson said he fears that something inadvertently could be done in the pursuit of a noble objective that would have an unanticipated consequence that would alter that, the way we are constituted in that enabling legislation. Besides the operating budget, we have established a relationship with the state where periodically we bring them tremendous opportunities to invest not only in our institution, but actually in the welfare of the state. And when we do that, we not only have achieved programmatic excellence, but there is also a tremendous financial return for the state. And the three most recent examples of that are the Oregon Opportunity, the Collaborative Life Science Building and the Knight Cancer Challenge. It is a brief little reminder of the comprehensive nature of the relationship.

Mr. Shipley concluded his presentation with two examples which OHSU is proactively pursuing this legislative session. One is the elimination of the sunset on our redaction authority at the Primate Center, which protects the name and home addresses of researchers and employees at the Center. The other example involves a current OHSU medical student and a faculty member from the Knight Cancer Institute, together with a group of students, who are attempting to pass a bill in Salem related to inconsistent access to sunscreen at schools across the state.

Dr. Robertson thanked Brian and his team for their heroic efforts. Keeping track of far in excess of 1,500 bills because, and then the whereas and relating to clauses and such, where they are on constant alert, they are very effective and very regarded. But, we are also there to serve the legislature and provide expertise in any way possible. And I think they also do a wonderful job of making that known. This year the comments that have been made with regard to public health are particularly apropos. The Governor is interested in public health transformation. Public health transformation, just like a few years ago, where medical transformation was stressed that is one of the major points of emphasis and on the agenda for the Oregon Health Authority. I think there will be many legislative initiatives this year that relate to that. We will be out at the forefront of that discussion.

Ms. Saathoff asked what is it that Mr. Shipley's staff does during session? Mr. Shipley replied that we have one dedicated state government relations person, Julie Hannah, and she will be in Salem every single day. Mr. Shipley stated he spends a portion of his time split between local and federal affairs. We also have one contract firm with a couple of individuals who are helping part time.

Mr. Waldron stated that he is in Salem on various things here and there, and he never hears anything except that OHSU has an unbelievably good legislative staff.

Ms. Funkhouser thanked Mr. Shipley for helping the students, saying that since they are in school so much and it is so difficult to get to Salem, she is very appreciative of the support. The students are very excited about it, and based on what Dr. Mladenovic said earlier, if there is a

way to formalize the student's involvement with the public health bill in the future that would be really empowering for the students and also leading and teaching them, both medical students and nursing students, of how to be good stewards and good public advocates in the future for their patients.

Adjournment

Hearing no further business, Mr. Waldron adjourned the meeting at 11:20 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Connie Seeley', is written over a horizontal line.

Connie Seeley
Board Secretary



FY15 March YTD Financial Results

**OHSU Board of Directors
April 23, 2015**

FY15 March YTD Financial Results

- OHSU operating income through the third quarter of FY15 is \$73 million, \$20 million above budget and \$3 million more than last year.
- Now booked is \$22 million from OHSU's share of the first year of the Hospital Transformation Performance Program, a new value-based payment within Oregon's Medicaid coordinated care transformation, which is funded by a hospital provider tax.
- Other hospital earnings are \$12 million above budget, reflecting 2% higher activity.
- Most other university areas are operating at budget.
- However, three areas we have been working with for over a year are below target:
 - Department of Pediatrics
 - Institute on Development and Disability
 - Prior-year A/R reserves in the hemophilia program.

FY15 March Results (continued)

- OHSU leadership met on these areas as recently as yesterday to increase and accelerate our corrective actions, which include:
 - Enhancing faculty clinical productivity
 - Optimizing ambulatory clinic operations
 - Appropriate documentation and billing of revenues (hemophilia billing has already been transferred to the much-larger hospital revenue cycle group)
 - Departmental expense reduction
 - Ensuring management oversight and effective organizational structure.
- Based on results through March, FY15 earnings are now estimated at between \$90 – 95 million, above the \$70 million budget but slightly below FY13 and FY14.
- There is opportunity to improve going forward to secure dollars for strategic investment, by better controlling year-over-year cost growth, especially in services & supplies.
- FY16 budget planning adopts this approach by holding most costs flat.

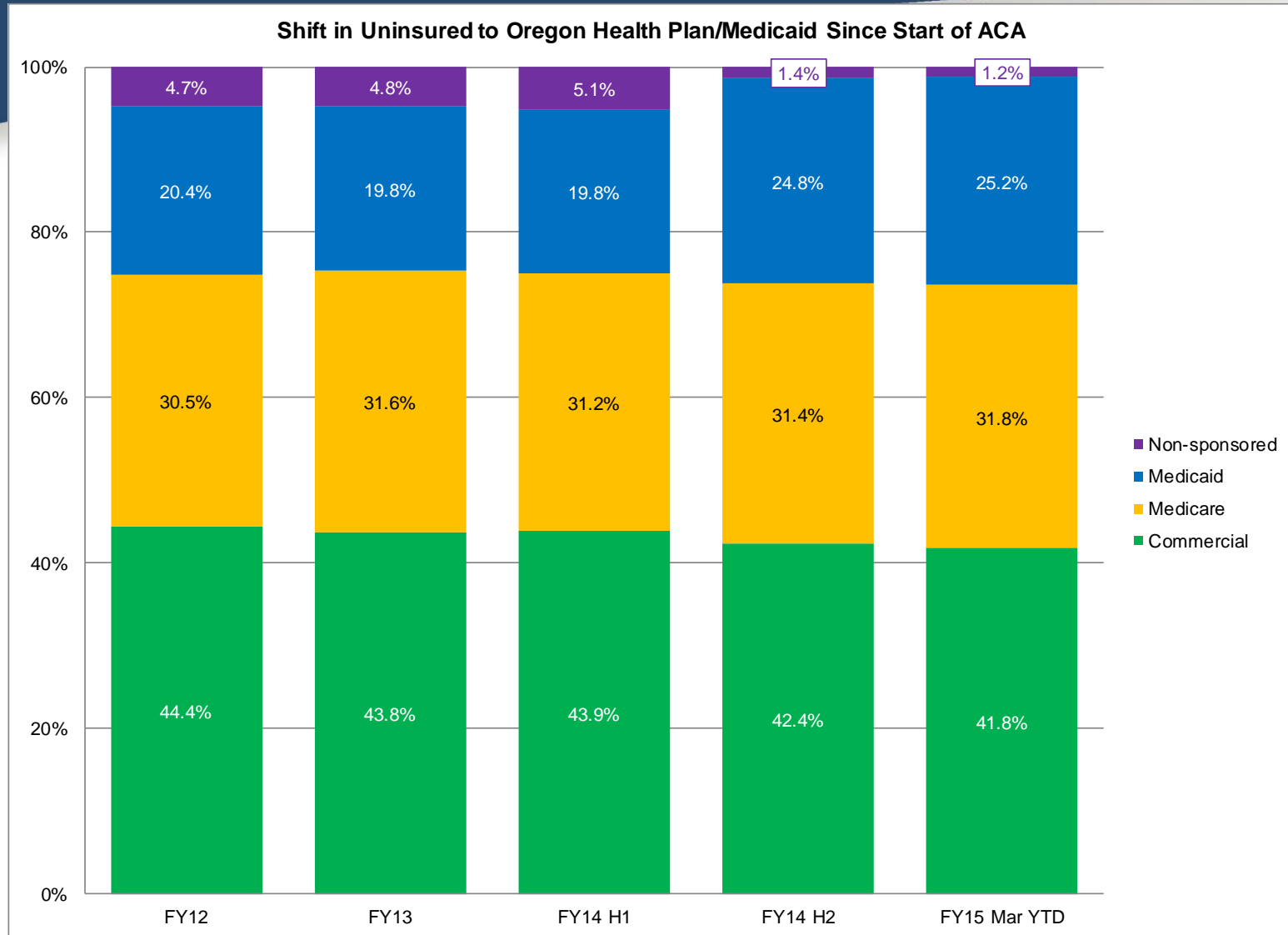
FY15 Q3 Earnings \$20M Over Budget

March YTD (9 months) (millions)	FY14 Actual	FY15 Budget	FY15 Actual	Actual - Budget	Actual / Last Year
Net patient revenue	\$1,218.2	\$1,280.1	\$1,338.7	\$58.6	10%
Grants & contracts	271.9	275.2	279.4	4.3	3%
Gifts applied to operations	44.9	56.6	55.0	(1.5)	22%
Tuition & fees	47.3	49.9	49.7	(0.3)	5%
State appropriations	26.6	25.1	25.1	0.0	-6%
Other revenue	71.0	86.6	70.8	(15.8)	0%
Operating revenues	<u>1,679.9</u>	<u>1,773.4</u>	<u>1,818.7</u>	<u>45.3</u>	<u>8%</u>
Salaries & benefits	993.1	1,062.3	1,056.4	(5.9)	6%
Services & supplies	463.2	486.8	513.0	26.2	11%
Medicaid provider tax	50.7	53.6	60.2	6.6	19%
Depreciation	86.0	97.3	96.1	(1.2)	12%
Interest	17.2	20.3	20.2	(0.1)	18%
Operating expenses	<u>1,610.1</u>	<u>1,720.3</u>	<u>1,745.9</u>	<u>25.6</u>	<u>8%</u>
Operating income	<u>\$69.8</u>	<u>\$53.2</u>	<u>\$72.8</u>	<u>\$19.7</u>	<u>4%</u>

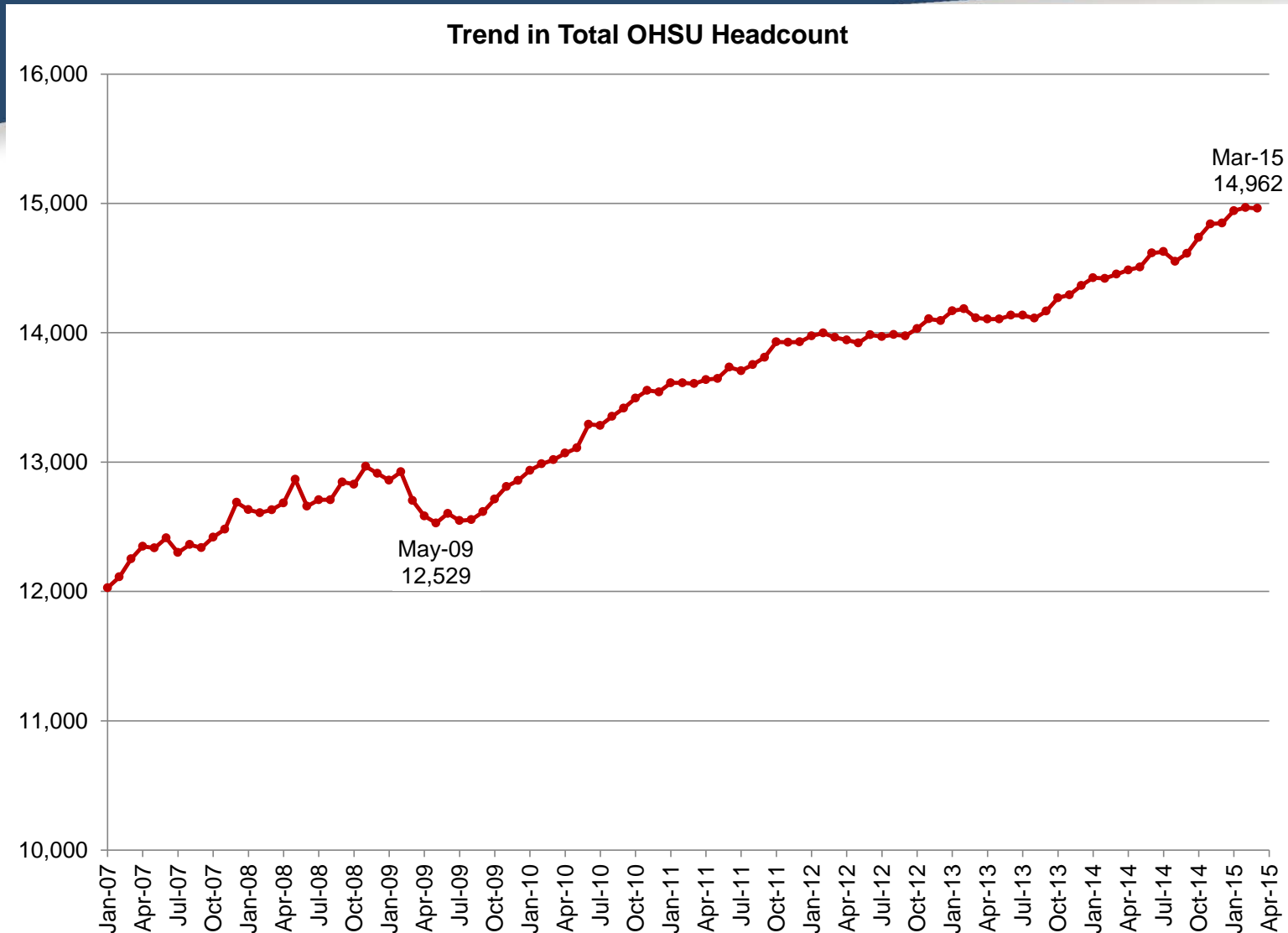
Outpatient Care Drives Volume Growth

March YTD (9 months)	FY14 Actual	FY15 Budget	FY15 Actual	Actual / Budget	Actual / Last Year
Inpatient admissions	21,432	22,009	21,764	-1%	2%
Average length of stay	5.78	5.77	5.85	1%	1%
Average daily census	443	455	450	-1%	2%
Day/observation patients	25,223	25,823	26,623	3%	6%
Emergency visits	34,082	33,932	35,584	5%	4%
Ambulatory visits	576,003	613,468	610,046	-1%	6%
Surgical cases	22,701	23,168	23,455	1%	3%
Casemix index	1.97	1.97	1.99	1%	1%
Outpatient share of activity	44.8%	45.4%	46.8%	3%	4%
CMI/OP adjusted admissions	76,516	79,442	81,416	2%	6%

ACA Expands OHP/Medicaid Coverage



2,400 Jobs Added Since Financial Crisis



FY15 Q3 Results: Net Worth & Investments

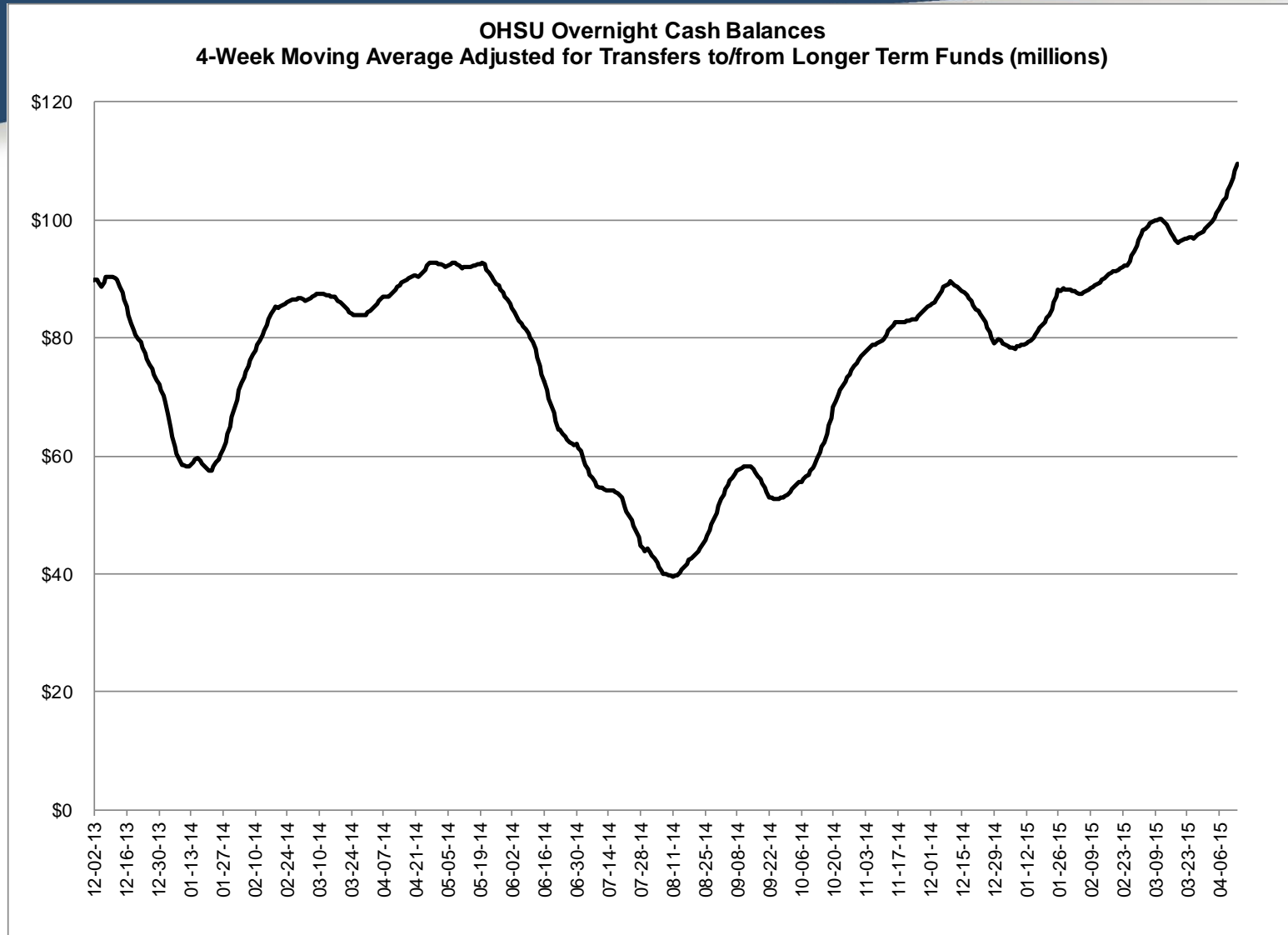
- With \$73 million in operating income, consolidated net worth is up only \$70 million, largely due to a small decline in the Foundation's endowment market value.
- OHSU's U.S. fixed income and stock investments have positive returns in line with overall markets. However, longer-term funds that have allocations to international and commodity assets for wider diversification, experienced negative returns, offsetting the U.S. gains.
- OHSU generated \$22 million of positive cash flow in OHSU-held cash & investments through March—an improvement of \$8 million from February—as operating earnings and slower-than-budgeted capital spending offset payment of principal in July and completion of CLSB (shown as the \$31 million decrease in capital A/P on the right-hand side of the next page).
- Cash & investments usually fall in the first half, then recover in the second 6 months of the fiscal year—a trend magnified this year by payment of \$22 million from the Hospital Transformation Performance Pool, expected in late April.

Cash & Investments Up \$22M in 9 Months

(millions)	6/30/14	3/31/15	Change
Operating cash & investments	\$587	\$565	\$(23)
Quasi-endowment funds	92	87	(5)
Moda surplus note		50	50
OHSU cash & investments	<u>680</u>	<u>702</u>	<u>22</u>
Trustee-held bond funds	29	30	1
CLSB project funds	17	4	(12)
Total cash & investments	<u>725</u>	<u>736</u>	<u>11</u>
Net physical plant	1,517	1,501	(15)
Interest in Foundations	829	823	(5)
Long-term debt	(758)	(739)	19
Working capital & other, net	64	125	61
OHSU net worth	<u>2,376</u>	<u>2,446</u>	<u>70</u>
Operating income			73
OHSU investment return			2
Gain (loss) from Foundations			(5)
Other non-operating items			1
Total change in net worth			<u>\$70</u>

(millions)	Mar YTD
Operating income	\$73
Depreciation	96
OHSU investment return	2
CLSB project funds applied	12
Sources of OHSU cash	<u>183</u>
Principal repaid	(19)
Capital spending	(81)
HTPP & Patient A/R	(26)
Capital accounts payable	(31)
Other working capital, net	(3)
Uses of OHSU cash	<u>(161)</u>
Sources less uses of cash	<u>22</u>
6/30/14 balance	680
3/31/15 balance	\$702

OHSU Daily Cash Balances on Upward Trend



FY16 Preliminary Budget Targets

- Between FY13 and FY15—the years spanning ACA implementation—OHSU's net patient revenue per case (adjusted for casemix and outpatient activity) rose from \$14,200 to \$15,850, or about 11.5% over two years.
- This aggregate rate growth is approximately 5% higher than inflation, and is also seen at other Oregon health systems.
- The FY16 budget, now in preparation, seeks to capture more of these dollars for strategic investments across missions, through implementing the unit-cost reduction called for in the clinical enterprise strategic plan (-10% per case by FY19) and holding most operations costs flat against inflation across the University.
- About half of the operating income increment above our budgeted 3% margin would be dedicated to research and education investments on a one-year lagged basis.
- In addition, FY16 planning includes OHSU's partnership strategy, completion of the Knight Cancer Challenge, initial funding of early cancer detection program, start of construction on the State-funded cancer research and OHSU-funded CHH-South projects.

Key Budget Goals: FY16 – FY18

1. Hospital: Implement path toward -10% per case cost reduction in clinical enterprise strategic plan, through holding most hospital operations costs flat to drop more of incremental rate impact to bottom line
2. Central support areas: ensure overhead costs are part of the solution to goal #1, not part of the problem, by holding spending flat against inflation
3. Schools, institutes and centers: secure 3.5% operating margins on unrestricted revenues (after base research & education support from clinical enterprise) to fund contribution to capital
4. Strategic investments: accumulate OHSU-wide earnings above 3% / \$70 million minimum set in FY15 budget, to invest in subsequent year in support of key strategies that position OHSU as one of the great health sciences universities in the United States (but not to cover deficits)

Budget Targets 5% Margin + Strategic Goals

(millions)	FY11A	FY12A	FY13A	FY14A	FY15E	FY16P
Patient care revenue	\$1,327	\$1,441	\$1,520	\$1,645	\$1,767	\$1,844
Research, education & other	583	595	612	633	634	664
Total revenues	1,909	2,036	2,132	2,277	2,401	2,508
Compensation, services & supplies	1,709	1,807	1,893	2,045	2,152	2,218
Depreciation & interest	143	146	141	138	154	165
Total expenses	1,852	1,953	2,034	2,183	2,307	2,383
Operating income	57	83	99	95	94	125
Foundation, investment & other gains	117	(12)	121	121	5	546
Increase in consolidated net worth	174	71	220	216	99	671
Cash & investments	1,295	1,401	1,450	1,519	1,538	1,986
Net physical plant	1,237	1,283	1,414	1,517	1,534	1,622
Long-term debt	(736)	(796)	(769)	(750)	(733)	(1,054)
Pledges & other, net	74	53	66	90	136	593
Ending consolidated net worth	\$1,870	\$1,941	\$2,161	\$2,376	\$2,476	\$3,147
<i>Operating margin</i>	3.0%	4.1%	4.6%	4.2%	3.9%	5.0%
<i>EBITDA margin</i>	10.5%	11.2%	11.2%	10.2%	10.4%	11.6%
<i>Operating income / patient revenue</i>	4.3%	5.7%	6.5%	5.8%	5.3%	6.8%
<i>Percent change in net worth</i>	10.3%	3.8%	11.3%	10.0%	4.2%	27.1%
<i>Net worth change / total revenue</i>	9.1%	3.5%	10.3%	9.5%	4.1%	26.8%

Extending Credit for Variable Rate Debt

- In 2012, we refinanced most of OHSU's debt to take advantage of stronger credit ratings and lower interest rates.
- OHSU's interest expense fell from \$36.6 million in FY11 to \$22.8 million in FY14.
- OHSU placed 25% or \$186 million in variable rate debt that carry lower interest rates (now about 0.7% instead of 4.5%) but somewhat greater risks, including:
 - Exposure to rising short-term rates
 - “Put” risk that remarketing of bonds could fail, requiring OHSU to pay them off.
- We manage “put” risk by backing variable rate debt with credit support from major banks, through a mix of letters of credit and direct placement loans.
- We generally try to secure the longest-dated terms at reasonable fees, diversifying the banks and staggering the expiration dates to reduce the chance that the entire \$186 million will come up at one time.
- In 2012, we secured 3 and 5 year commitments from Union Bank and US Bank.

Extending Credit (continued)

- In the ordinary course of business, OHSU regularly tests the market for extending variable rate credit support.
- We did this recently, concurrent with a larger RFP for investment banking services, and received very attractive and long-dated commitments from strong banks:
 - \$45 million, 5 year letter of credit from US Bank
 - \$57 million, 7 year direct purchase from Wells Fargo
 - \$84 million, 12 year direct purchase from JP Morgan
- Assuming that in the future, short term rates rise to their 10-year average, the all-cost interest cost for the \$186 million under this extended structure would be 1.97%, slightly above the current 1.88% but for a much longer commitment: 7.5 years further into the future.
- I request approval of the Board resolution authorizing this.

**RESOLUTION NO. 2015-04-02
OF THE BOARD OF DIRECTORS OF
OREGON HEALTH AND SCIENCE UNIVERSITY**

WHEREAS, Oregon Health & Science University, a public corporation of the State of Oregon ("OHSU" or "University"), is authorized by Oregon Revised Statutes ("ORS") 353.340 to 353.370, and applicable provisions of ORS Chapter 287A (collectively, the "Act"), to issue revenue bonds, refunding revenue bonds, revenue notes and other obligations to finance or refinance capital assets acquired, constructed, equipped, improved or otherwise used for educational, health care, research, public health and related lawful public purposes.

WHEREAS, pursuant to the Act, the University has previously issued the following revenue bonds (collectively, the "2012 Bonds"):

- (i) Oregon Health Sciences University Variable Rate Revenue Bonds, 2012 Series B-1 (the "2012B-1 Bonds"), originally issued in the aggregate principal amount of \$28,525,000;
- (ii) Oregon Health Sciences University Variable Rate Revenue Bonds, 2012 Series B-2 (the "2012B-2 Bonds"), originally issued in the aggregate principal amount of \$28,525,000;
- (iii) Oregon Health Sciences University Variable Rate Revenue Bonds, 2012 Series B-3 (the "2012B-3 Bonds"), originally issued in the aggregate principal amount of \$28,525,000;
- (iv) Oregon Health Sciences University Variable Rate Revenue Bonds, 2012 Series C (the "2012C Bonds"), originally issued in the aggregate principal amount of \$19,125,000; and
- (v) Oregon Health and Science University Variable Rate Revenue Bonds, 2012 Series D (the "2012D Bonds"), originally issued in the aggregate principal amount of \$88,805,000.

WHEREAS, the University has entered into an Amended and Restated Master Trust Indenture dated as of May 1, 2012 between the University on behalf of itself and as a member of the Obligated Group, and as Obligated Group Representative, and The Bank of New York Mellon Trust Company, N.A., as Master Trustee, as currently amended and supplemented (collectively, the Master Trust Indenture), under which the University has issued Master Indenture Obligations (as defined in the Master Trust Indenture) to provide security for various University obligations, including the 2012 Bonds.

WHEREAS, the 2012B-1 Bonds, the 2012B-2 Bonds and the 2012B-3 Bonds (collectively, the "2012B Bonds") are variable rate bonds supported by direct pay Irrevocable Letters of Credit dated May 15, 2012 (respectively, the "2012B-1 Letter of Credit," the "2012B-2 Letter of Credit," the "2012B-3 Letter of Credit," and collectively, the "2012B Letters of Credit") issued by Union Bank, N.A. ("Union") pursuant to a Reimbursement Agreement dated as of May 1, 2012 between the University and Union and related agreements and documents.

WHEREAS, the 2012C Bonds are variable rate bonds supported by a direct pay Irrevocable Letter of Credit dated May 15, 2012 (the "2012C Letter of Credit") issued by U.S. Bank National Association ("US Bank") pursuant to a Reimbursement Agreement dated as of May 1, 2012 between the University and US Bank and related agreements and documents.

WHEREAS, by its terms the 2012C Letter of Credit will expire on November 15, 2015 and absent replacement or extension of the 2012C Letter of Credit, the 2012C Bonds must be refunded or otherwise replaced.

WHEREAS, the 2012D Bonds are variable rate bonds that were purchased by US Bank pursuant to a Bondholder's Agreement dated May 1, 2012 (the "2012D Direct Purchase") between OHSU and US Bank and related agreements and documents.

WHEREAS, prompted by concerns regarding the credit rating of Union and in view of the existing market conditions, the University undertook a request for proposals process to assess available options to restructure the 2012 Bonds and related facilities.

WHEREAS, based upon information obtained through the request for proposal process, under existing market conditions certain interest cost savings, additional diversity of banks or providers, certain longer maturities, certain better terms and/or other benefits may be available to the University by replacing, extending or amending the 2012B Letters of Credit, the 2012C Letter of Credit, and/or the 2012D Direct Purchase by one or more new, extended or amended direct placement transactions and/or new, extended or amended letters of credit transactions and/or one or more term loans, refunding, extending or converting all or a portion of the 2012 Bonds, and/or otherwise restructuring some or all of the 2012 Bonds and/or facilities related to the 2012 Bonds (the "2012 Bond Restructure").

WHEREAS, representatives of the University have conferred with Melio & Company (financial advisors), Orrick, Herrington & Sutcliffe LLP (bond counsel) and others to discuss options for the 2012 Bond Restructure.

WHEREAS, after conducting a request for proposals process and reviewing proposals from various bankers and underwriters, management of the University recommends that the University pursue one or more of the 2012 Bond Restructure options (collectively the "Restructuring Options"), materially consistent with the terms described to the Board of Directors in the description by the Chief Financial Officer attached as Exhibit A to this Resolution (the "Restructuring Summary").

WHEREAS, the Board of Directors finds it benefits and is in the best interests of the University to pursue one or more of the Restructuring Options and to authorize and direct that certain actions be taken to implement one or more of the Restructuring Options.

NOW THEREFORE, be it resolved by the Board of Directors of the Oregon Health and Science University as follows:

Section 1. Implementation of Restructuring Options. The Board of Directors hereby authorizes and directs the President or the Chief Financial Officer (each an "Authorized Representative" and collectively, the "Authorized Representatives") to evaluate, negotiate the terms of, enter into, execute, deliver and otherwise implement one or more of the Restructuring Options, individually or in combination, as may in the judgment of such Authorized Representative be in the best interests of the University, in a manner

materially consistent with the Restructuring Summary and in furtherance of the purposes of this Resolution.

Section 2. Authorization of 2012 Restructuring Bonds. The Board of Directors hereby authorizes and approves, if deemed in furtherance of the Restructuring Options by the Authorized Representative, the University's issuance, sale and delivery of any bonds and/or direct purchase bonds or notes and/or term loans related to the 2012 Bond Restructure (collectively, the "2012 Restructuring Bonds"), acquisition of one or more letters of credit, and/or the University's execution and delivery of one or more letter of credit reimbursement agreements, bondholder's agreements, continuing covenant agreements, loan agreements, and/or similar agreements related to the Restructuring Options (collectively, the "2012 Restructuring Obligations"), provided that the 2012 Restructuring Bonds not exceed \$200,000,000 in aggregate principal amount outstanding, and subject to the following:

- a. Any 2012 Restructuring Bonds issued in the form of bonds shall be issued as fully registered bonds and dated as provided in the related bond indenture, and shall mature, bear interest, be subject to redemption, tender, bear the terms, and be issued and sold by the University as determined by one or more of the Authorized Representatives.
- b. The 2012 Restructuring Bonds, if any, may be sold at a private negotiated sale.
- c. The execution and delivery of one or more Bond Purchase Agreements or Forward Delivery Bond Purchase Agreements by an Authorized Representative of the University shall constitute the University's approval of the purchase prices for the applicable 2012 Restructuring Bonds.
- d. The Board of Directors appoints Orrick, Herrington & Sutcliffe LLP as bond and disclosure counsel to the University in connection with any 2012 Restructuring Bonds and as special counsel in connection with any other 2012 Restructuring Obligations.
- e. Any of the 2012 Restructuring Obligations (other than the 2012 Restructuring Bonds) shall be entered into pursuant to direct note purchase agreements, letter of credit reimbursement agreements, bondholder's agreements, continuing covenant agreements, loan agreements or other financing agreements with such lenders and setting forth such terms and provisions as shall in the judgment of the Authorized Representative further the Restructuring Options and the purposes of this Resolution.

Section 3. Preparation, Execution and Delivery of Documents. The Board of Directors hereby authorizes and directs each of the Authorized Representatives to negotiate the terms of, prepare, execute and deliver, on behalf of the University, the Restructuring Options and all contracts, agreements, amendments, supplements, terminations, instruments, certificates, security agreements, financing statements and any other documents related thereto, including but not limited to direct-pay letters of credit, direct note purchase agreements, other credit or liquidity enhancement agreements, bond indentures, bond purchase agreements, standby bond purchase agreements, forward

delivery bond purchase agreements, bond insurance, remarketing agreements, escrow agreements, reimbursement agreements, bondholder's agreements, continuing covenant agreements, loan agreements, master trust indentures, supplemental master trust indentures, amended and restated master trust indentures, master trust indenture obligations, trust agreements, tax certificates and agreements, interest rate swap agreements, interest rate exchange agreements, amendments, supplements, bond indentures, trust agreements, continuing disclosure certificates, closing certificates, notices, disclosures, directions, termination documents, investment agreements, one or more Preliminary and Final Official Statements, amendments or supplements to prior Official Statements, wraps with respect to prior Official Statements, other offering or disclosure documents, any agreements to effect the tender or purchase of any of the 2012 Bonds, notices of redemption and/or conversion, directions, confirmations, terminations, security agreements, interim lines of credit, other credit facilities or other credit enhancement agreements, and any necessary amendments, supplements to, restatements or terminations of the University's existing bond indentures, Master Trust Indenture, interest rate exchange agreements, enhancement agreements, or similar agreements executed in connection with the 2012 Bonds, the 2012B Letters of Credit, the 2012C Letter of Credit, or the 2012 Direct Purchase, as may be necessary, desirable or appropriate in the opinion of either of the Authorized Representatives to pursue one or more of the Restructuring Options and to complete the transactions contemplated by this Resolution.

Section 4. Distribution of Disclosure Documentation. The Board of Directors hereby approves the use and distribution of Preliminary and Final Official Statements, amendments or supplements to prior Official Statements for the 2012 Bonds, wraps with respect to such prior Official Statements, or other applicable disclosure documents, if any, to be prepared and approved by the members of the University's financing team in connection with the 2012 Restructuring Bonds, the other 2012 Restructuring Obligations or in connection with the tender or purchase of the 2012 Bonds, if any, to the public, and authorizes each of the Authorized Representatives to deem any such disclosure document final as of its date pursuant to SEC Rule 15c2-12, if applicable. The Board of Directors also authorizes the University and its agents to make all disclosures that are advisable or otherwise required by law.

Section 5. Appointment of New Master Trustee. The Board of Directors hereby authorizes and directs each of the Authorized Representatives to take any action related to the appointment of a new Master Trustee under the Master Trust Indenture if either of the Authorized Representatives determines that such action is necessary, desirable or appropriate in the opinion of such Authorized Representative to complete the transactions contemplated by this Resolution.

Section 6. Further Actions. The Board of Directors hereby authorizes and directs each of the Authorized Representatives to take or direct to be taken all such further actions as may be necessary, desirable or appropriate in the opinion of either of the Authorized Representatives in connection with pursuance of one or more of the Restructuring Options and completion of the transactions contemplated by this Resolution, including, but not limited to, filing any notices with or obtaining any consents, approvals or authorizations from, the Oregon State Treasurer or any other party, taking or directing to be taken all actions necessary in connection with the public or private tender offer for any of the 2012 Bonds, and paying any costs, fees and expenses as in his or her

judgment shall be necessary, desirable or appropriate to fully implement the Restructuring Options and carry out the purposes of this Resolution.

Section 7. Ratification of Actions. All actions previously taken or that will be taken by any director, officer, official, employee or agent of the University in connection with or related to the matters set forth in or reasonably contemplated by this Resolution are, and each of them hereby is, adopted, ratified, confirmed and approved in all respects as the acts and deeds of the University.

Section 8. Liability for 2012 Restructuring Obligations. Neither the State of Oregon nor any agency thereof, or any political subdivision or body corporate and politic nor any municipality within the State of Oregon, other than the University, shall in any event be liable for the payment of the principal of, premium, if any, or interest on any 2012 Restructuring Obligations or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever undertaken by the University. No breach of any such pledge, mortgage, obligation or agreement shall impose any pecuniary liability upon the State of Oregon or any charge upon its general credit or against its taxing power. The issuance or entering into of any 2012 Restructuring Obligations shall not, directly or indirectly or contingently, obligate the State of Oregon, or any other political subdivision of the State of Oregon, nor empower the University, to levy or collect any form of taxes therefor or to create any indebtedness out of taxes. Neither the Board of Directors of the University nor any person executing any 2012 Restructuring Obligations shall be liable personally on any 2012 Restructuring Obligations or be subject to personal liability or accountability by reason of the issue thereof or by the execution or delivery of any document authorized by this Resolution.

Section 9. Invalidity or Unenforceability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

This Resolution is adopted this 23rd day of April, 2015, effective on April 23, 2015.

Yeas 8

Nays 0

Signed by the Secretary of the Board of Directors this 23 day of April, 2015.



Connie M. Seeley
Board Secretary

EXHIBIT A

In 2012, OHSU refinanced two-thirds of the University's debt to take advantage of stronger credit ratings and lower interest rates. As part of that, the Board reviewed the debt structure, determining to place 25% or \$186 million in variable rate bonds that carry lower interest rates (currently about 0.7% per year, compared to ~4.5% for fixed rate bonds), but with greater risks. These include exposure to rising short-term rates and "put" risk, that remarketing of the bonds could fail and OHSU would have to take them out. This latter risk became apparent during the financial crisis; OHSU has limited its variable rate debt exposure to 25% in large part due to put risk.

Typically, variable rate debt has been remarketed to bondholders daily or weekly, with the interest rate resetting each time with market conditions, and the bonds backed by a letter of credit (LOC) from a major, strongly-rated bank. If the remarketing fails, OHSU would draw upon the LOC to carry the debt until it could be refinanced or repaid with cash. LOCs are typically relatively short commitments, from one to five years, and relatively expensive. For example, OHSU has \$85.6 million of 2012 variable rate demand bonds backed by a five-year LOC that expires in 2017. Recently, the bondholders have been receiving 0.02% annual interest (around \$17,000 per year), the remarketing agents a fee of about 0.08% (\$68,000 per year) and the LOC bank a fee of 0.6% (\$514,000 per year).

Given these ratios, and the opportunity for more favorable loan features, many banks have decided to offer Direct Placement (DP) loans instead of LOCs, charging an all-in fee of approximately 0.70%, longer terms, and no remarketing of the bonds—instead the interest rate floats up and down with an index, usually a percentage of 1 month LIBOR. The commitments are both longer and stronger, with the most important condition being OHSU maintaining credit ratings above the BBB- threshold (minimum investment grade).

As part of the 2012 restructuring, OHSU backed 55% of its variable rate debt in the more-traditional LOC structure, with 45% in the Direct Placement. The University also diversified credit banks and expirations, with slightly more than half requiring renewal in 2015 and the rest by 2017. While OHSU is always testing the market for credit support, we accelerated this process due to a negative rating outlook on Union Bank, coupled with rebidding for OHSU's investment banking team.

As a result of this process, OHSU received attractive and much-longer credit commitments that extend the weighted average remaining commitment from 15 months currently to 8 years 9 months.

While final negotiations are still underway, OHSU proposes a new line-up for credit support with:

- \$45 million, 5 year LOC from US Bank;
- \$57 million, 7 year DP from Wells Fargo; and
- \$84 million, 12 year DP from JP Morgan—among the longer commitments now available.

Assuming 10-year averages for short-term interest rates, the all-in costs would increase only slightly, from 1.88% under the existing, shorter-commitment structure to 1.97% in the new, much longer structure, or a net cost of about \$170,000 per year to secure commitments that average 7.5 years further into the future.

Depending on final negotiations of terms, conditions and other factors, one or more different lenders or other credit/debt facility structures may be used, provided that the economics of the extension and restructuring of the credit support for OHSU's variable rate debt are materially consistent with the above description.

**RESOLUTION 2015-04-03
OREGON HEALTH & SCIENCE UNIVERSITY
BOARD OF DIRECTORS**

WHEREAS the role of the OHSU Board of Directors is to provide high-level strategic guidance to OHSU executive management, establish broad overall Board policies, consider and approve the budget and certain major financial transactions, and advocate for the vision and needs of OHSU.

WHEREAS the Board finds that its service to OHSU is aided by obtaining insight and perspective from the university faculty on those matters that fall within the Board's purview.

WHEREAS the Board has thus decided to establish vehicles to engage the faculty in active dialogue in order for faculty to be informed by, and inform, the Board using the following mechanisms.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Oregon Health & Science University:

A twice-annual meeting will be held with the OHSU Board Chair, the Vice-Chair, the OHSU President, and up to two additional Board members designated by the Chair and President, and faculty representatives designated by the OHSU Faculty Senate. The purpose of this is to create a conversation about matters of mutual interest to the Board and faculty.


The OHSU Faculty Senate will be invited by the Board to provide to the Board Chair written comment on the budget that has been submitted to the Board. Such comments will be invited and considered by the Board in advance of the Board's approval of the budget.

An annual report will be invited for submission from the OHSU Faculty Senate to the OHSU Board of Directors.

This Resolution is adopted this 23rd day of April, 2015

Yeas 8
Nays 0

Signed by the Secretary of the Board on April 23, 2015



Connie M. Seeley
Board Secretary



**RESOLUTION 2015-04-04
OREGON HEALTH & SCIENCE UNIVERSITY
BOARD OF DIRECTORS**

WHEREAS, the Board wishes to identify and appoint Board members to serve on each of the Board Committees, the Integrity Program Oversight Council, and the University Health System Board.

NOW, THEREFORE, BE IT RESOLVED:

The following Board members shall be appointed as listed below, to serve at the pleasure of the Board of Directors of Oregon Health & Science University:

Finance & Audit Committee

MardiLyn Saathoff (Chair)
Maria Pope
Jay Waldron
David Yaden
Ken Allen (alternate)

Human Resources Committee

Amy Tykeson (Chair)
Maria Pope
Prashant Dubey
Jay Waldron

Investment Committee

Maria Pope
Amy Tykeson

Integrity Program Oversight Council

Suzy Funkhouser
Frank Toda
David Yaden

University Health System Board

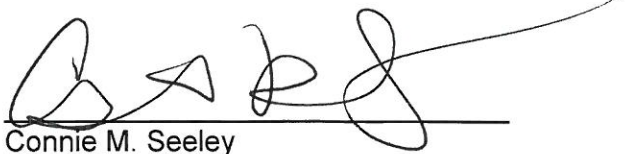
Prashant Dubey
Maria Pope
Joe Robertson

This Resolution is adopted this 23rd day of April, 2015.

Yeas 8

Nays 0

Signed by the Secretary of the Board on April 23, 2015.



Connie M. Seeley
Board Secretary