



The Foundation for The Gator Nation

Board of Trustees

AGENDA

May 3, 2012

Meeting and Telephone Conference Call at 11:00 AM EDST

123 Tigert Hall

University of Florida

The following committees of the University of Florida Board of Trustees and the Board of Trustees itself will meet in the following sequence beginning at 11:00 a.m. EDST and continuing until all meetings have concluded to address matters that need to be addressed before the June regular meeting.

Committee on Governance

Committee on Educational Policy and Strategy

Board of Trustees

Executive Summary

Committee on Governance

May 3, 2012

The Committee will consider the following Action Item:

Sr. Vice President David Guzick will provide an overview of the strategy for Shands and the UF faculty physicians to compete effectively and realize administrative efficiencies in a managed care, Medicaid reform environment. The Governance Committee and Board are being asked to approve the creation of associated Shands subsidiaries at this May 3rd meeting so that Shands can satisfy an early May deadline in the related approval process of the Florida Agency for Health Care Administrative.



The Foundation for The Gator Nation

Board of Trustees
Committee on Governance
AMENDED AGENDA
May 3, 2012
Telephone Conference Call Meeting

Committee Members: *Marshall Criser (Chair), David Brown, Susan Cameron, Michael Heekin, Carolyn Roberts, Steven Scott*

- 1.0 Call to Order and WelcomeMarshall M. Criser, III
- 2.0 Verification of Quorum Assistant Secretary
- 3.0 Action Item
 - GV1. Shands Teaching Hospital and Clinics, Inc. and Shands Jacksonville Medical Center, Inc. Subsidiaries.
 - GV2. Elections To Address Mid-Term Vacancy In Board Chair
- 4.0 Discussion Items
- 5.0 Adjourn

UNIVERSITY OF FLORIDA BOARD OF TRUSTEES

Committee on Governance

May 3, 2012

SUBJECT: Shands Teaching Hospital and Clinics, Inc. and Shands Jacksonville Medical Center, Inc. Subsidiaries

BACKGROUND INFORMATION

Shands Gainesville, Shands Jacksonville and the UF faculty physicians need to be well-positioned to compete in a Medicaid-reform, managed care environment. Shands Gainesville and Shands Jacksonville seek to form limited liability companies or other subsidiaries to operate and enter contracts as “Provider Service Networks (PSNs)” or under other operational models that will (a) allow them to deliver healthcare to patient populations through managed care contracts and (b) support these services with efficient shared administrative services. The legislation confirming sovereign immunity for Shands Gainesville and Shands Jacksonville requires UF Board approval of the creation of any Shands subsidiary. Consequently, the UF Board is being asked to grant approval for, and to authorize the UF President (or, if designated by the President, the UF Sr. Vice President for Health Affairs) to approve, the creation of these subsidiaries and associated documents and filings. The final entity structure and PSNs (and potentially other models) require state agency approval.

PROPOSED COMMITTEE ACTION

Approve the attached resolution authorizing Shands Teaching Hospital and Clinics, Inc. and Shands Jacksonville Medical Center, Inc. to form Limited Liability Companies or other subsidiaries to operate in a managed care environment, with the UF President or, if designated by the President, the UF Sr. Vice President for Health Affairs to approve the creation of such entities and related documents and filings.

SIGNIFICANT POLICY ISSUES FOR COMMITTEE TO CONSIDER

No Board of Governors approval is required.

Supporting Documentation Included: See attached.

Submitted by: Dr. David S. Guzick, Sr. Vice President for Health Affairs and President of the UF & Shands Health System.

**BOARD OF TRUSTEES
RESOLUTION**

Number: R12- 100

Subject: Approval of Subsidiaries of Shands Teaching Hospital and Clinics, Inc. and Shands Jacksonville Medical Center, Inc.

Date: May 3, 2012

Whereas, Section 1004.41(4) (e) and (5) (a), Florida Statutes, permits Shands Teaching Hospital and Clinics, Inc. (“Shands Gainesville”) and Shands Jacksonville Medical Center, Inc. (“Shands Jacksonville”) to create subsidiaries and affiliates in furtherance of their mission, with approval of the University of Florida Board of Trustees; and

Whereas, legislation and regulations administered by the Florida Agency for Health Care Administration (“AHCA”) permit certain Medicaid-funded health services to be provided through managed-care organizations called, “Provider Service Networks” (“PSN”) and AHCA approves the governance structure and operations of such PSNs, and there may be other government agencies whose approval is needed for these or certain other managed care arrangements; and

Whereas, to compete successfully in furtherance of their mission in the health care marketplace under such legislation, AHCA regulations, and potentially other government agency regulations or requirements, in a Medicaid-reform environment, Shands Gainesville and Shands Jacksonville seek to form legal entities to operate PSNs and other arrangements through which University of Florida Health Science Center faculty will deliver health services; and

Whereas, in 2006, Shands Jacksonville Medical Center, Inc. received approval of its PSN as an operating division (not as a separate entity) and now seeks to form a Limited Liability Company or other subsidiary for this purpose; and

Whereas, in 2011 Shands Teaching Hospital and Clinics, Inc. formed a Limited Liability Company to pursue approval of a PSN; and

Whereas, Shands Jacksonville and Shands Gainesville now seek to form one or more Limited Liability Companies or other subsidiaries to hold the PSN or similar contracts with ACHA and/or other government agencies and the physician service provider network contracts (through which Medicaid funds flow and medical services are provided), which will facilitate the provision of efficient shared administrative and operational services; and AHCA's initial review of this governance structure has been favorable;

Now, Therefore, the University of Florida Board of Trustees adopts the following resolutions at its duly called meeting of May 3, 2012:

RESOVLED: That Shands Gainesville and Shands Jacksonville are each authorized to form such Limited Liability Companies or other subsidiaries to act and operate as PSNs and provider networks for the delivery of health care services as the President of the University of Florida (or, if designated by the President, the UF Senior Vice President for Health Affairs) may determine are appropriate and convenient , and that such Limited Liability Companies or other subsidiaries may be formed directly by Shands Gainesville and Shands Jacksonville or through other entities they and/or any practice plan of faculty from the University of Florida Health Science Center manage or control; and

RESOLVED: That any faculty or practice plan of faculty from the University of Florida Health Science Center may participate in the creation and/or operation of any such Limited Liability Companies, subsidiaries, PSNs and provider service networks; and

RESOLVED: That the President of the University of Florida and, if designated by the President, the UF Senior Vice President for Health Affairs, and each of them acting singly, are hereby authorized to approve any related organization, management, operations, financial and other documents that they determine are reasonable or necessary to create, operate, and/or to obtain associated AHCA, other government agency, and other approvals for, such Limited Liability Companies, other subsidiaries, PSNs and other provider service networks and to directly (or to authorize others to) make any associated filings and take associated actions.

J. Bernard Machen, President

Executive Summary

Committee on Educational Policy and Strategy

May 3, 2012

The Committee will consider the following Action Item:

Under Federal requirements by June 1st, the University needs to update its Board authorization of a committee, comprising the President and Vice President for Research, to receive classified information involved in research. The approval would also confirm that Trustees and other officers will not have access to classified data.



The Foundation for The Gator Nation

***Board of Trustees
Committee on Educational Policy & Strategy***

AGENDA

May 3, 2012

Telephone Conference Call

Committee Members: *David Brown (Chair), Susan Cameron, Marshall Criser, Charles Edwards, Michael Heekin, Alan Levine, Scott Nygren, Jose (T.J.) Vilamil, Carolyn Roberts, Juliet Roulhac, Steven Scott, and Al Warrington*

- 1.0 Call to Order and Welcome C. David Brown, II
- 2.0 Verification of Quorum Assistant Secretary
- 3.0 Action Items C. David Brown, II
 - EP1. Facility Security Clearance; Exclusion of Certain Directors and Officers; Designation of Senior Managerial group for Classified Information
- 4.0 Discussion Items
- 5.0 Public Appearances
- 6.0 Adjourn

UNIVERSITY OF FLORIDA BOARD OF TRUSTEES

Committee on Educational Policy & Strategy

May 3, 2012

SUBJECT: Facility Security Clearance; Exclusion of Certain Directors and Officers; Designation of Senior Managerial Group for Classified Information

BACKGROUND INFORMATION

Certain contracts between the University and federal governmental agencies require a facility security clearance. Department of Defense procedures permit the University to designate a senior management committee to obtain security clearance rather than obtaining the clearances for individual Trustees and other officers.

PROPOSED COMMITTEE ACTION

Approve a Resolution confirming that members of the Board of Trustees will not require access to classified material and designating a senior management committee comprising the President and Vice President for Research for that purpose.

SIGNIFICANT POLICY ISSUES FOR COMMITTEE TO CONSIDER

No Board of Governors approval is required. Upon the appointment of a 13th Trustee, the Board will need to approve a similar resolution to include that Trustee.

Supporting Documentation Included: See attached.

Submitted by: David Norton, Vice President for Research



The Foundation for The Gator Nation

<p style="text-align: center;">BOARD OF TRUSTEES RESOLUTION</p>
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Number: R12-99

Subject: Facility Security Clearance; Exclusion of Certain Directors and Officers; Designation of Senior Managerial Group for Classified Information.

Date: May 3, 2012

WHEREAS, the universities in the State University System of Florida desire to enter into contractual obligations with agencies of the United States Government, including contractual obligations requiring security clearance, and

WHEREAS, current Department of Defense Regulations contain a provision making it mandatory that the Chair of the Board and all principal officers meet the personnel clearance requirements established for a security clearance, and

WHEREAS, current Department of Defense Regulations do authorize exclusion from the security clearance requirements of certain members of the Board of Directors and other officers, provided that this Board adopts a resolution stating that the Board members and such officers will not require access to classified material and designate the President and Vice President for Research for such purposes.

NOW THEREFORE, BE IT RESOLVED, that a Senior Managerial Group for Classified Information is hereby designated for the purpose of providing oversight of all classified information and programs at the University.

NOW THEREFORE, BE IT RESOLVED, that the membership of the Senior Managerial Group shall be composed of those persons occupying the following positions at the University: (a) the President; and (b) the Vice President for Research. The Chair of the Senior Managerial group shall be the Vice President for Research. At the present time, the individuals in these positions do possess, or will be processed for, the required security clearance; and

NOW THEREFORE, BE IT RESOLVED, that the following Board of Trustees members are excluded from access to classified information and are excluded from the requirement for a Personnel Security Clearance in accordance with Department of Defense 5220.00-M National Industrial Security Program Operating Manual, Section 1.2-106:

C. David Brown, II	Trustee
Susan M. Cameron	Trustee
Marshall M. Criser, III	Trustee
Charles B. Edwards	Trustee
W. Michael Heekin	Trustee
Alan M. Levine	Trustee
P. Scott Nygren	Faculty Trustee (through 6/1/12)
Cheri A. Brodeur	Faculty Trustee (through 6/1/13)
Jose Vilamil	Student Trustee
Carolyn K. Roberts	Trustee
Juliet M. Roulhac	Trustee
Steven M. Scott	Trustee
Alfred C. Warrington, IV	Trustee

This action is in the form of a resolution to take effect immediately upon its adoption.

Adopted this 3rd day of May 2012, by the Board of Trustees of the University of Florida.

J. Bernard Machen, President



The Foundation for The Gator Nation

Board of Trustees

AMENDED AGENDA

May 3, 2012

Telephone Conference Call Meeting at 11:00 AM EST

- 1.0 Call to Order and Welcome C. David Brown, II, Vice Chair
- 2.0 Verification of QuorumAssistant Secretary
- 3.0 Action Items (Consent Agenda)C. David Brown, II, Vice Chair

Committee on Educational Policy & Strategy (EP)

EP1. Facility Security Clearance; Exclusion of Certain Directors and Officers; Designation of Senior Managerial Group for Classified Information

Committee on Governance (GV)

GV1. Shands Teaching Hospital and Clinics, Inc. and Shands Jacksonville Medical Center, Inc. Subsidiaries.

GV2. Elections to Address Mid-Term Vacancy In Board Chair

- 4.0 Discussion Items
- 5.0 Adjourn