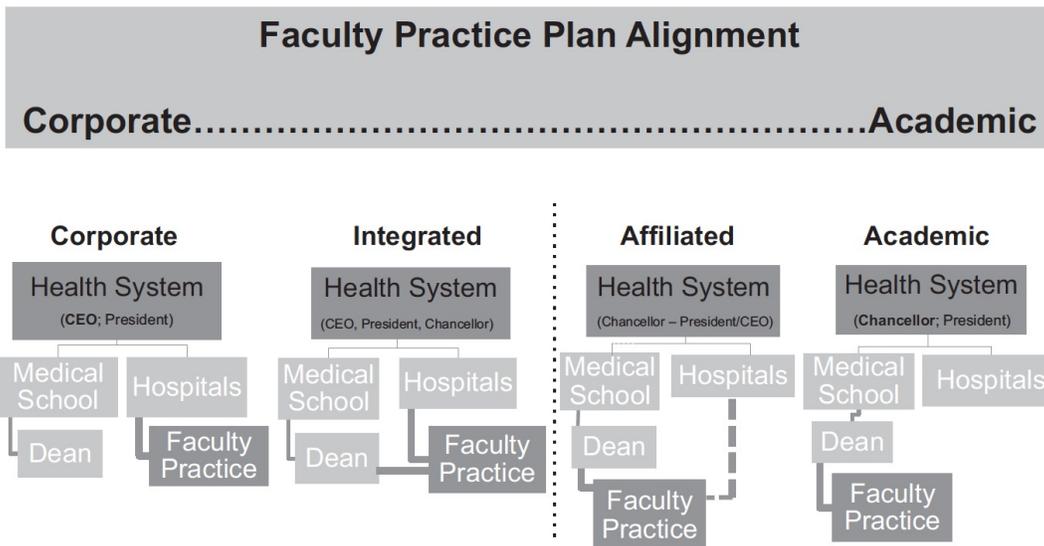


To Bargaining Unit Members:

The controversy over whether or not the University should enter into an agreement with Henry Ford Health System (HFHS) may seem somewhat distant to you as you go about doing your teaching, research, advising students, working as a reference librarian, archiving materials, or doing the myriad of other things that you contribute to the high performance of our institution. The future of our School of Medicine (WSUSOM) is vital to us all. Our standing as a High Research University depends primarily on the research performance of the WSUSOM. We are designated under Article VIII, Section 5 of the Michigan Constitution, along with the University of Michigan and Michigan State University, as one of the three universities with their own elected controlling boards. This is based on the assumption that these institutions will be the primary research universities for our state. We all have a stake in any negotiations that will affect the fundamental activities of the WSUSOM.

The communication from President M. Roy Wilson and Dean Jack Sobel questioning the veracity of some aspects of my recent message to you on the situation of the negotiations between the Administration and Henry Ford Health System (HFHS) demands a response. One of the problems is that this situation is complicated because issues related to schools of medicine, and the delivery of care by faculty clinicians, are through faculty practice plans, and are challenging. A recent article in *Academic Medicine* (Vol. 94, No. 1/January 2019) identified four models of organizational governance of academic health centers ranging along a continuum from corporate to academic. The authors portray this in the figure below:



The authors offer a note to the figure:

*“With the aggregation of large academic health care systems, often incorporating community hospitals and other organizations having variable or*

*limited experience with education and research, oversight of the faculty practice plan has taken on greater variability. In more 'corporate' systems, linkage of the faculty practice plan is primarily to the health system; under these circumstances, linkage to the medical school and dean is diluted or even disconnected, and the commitment of faculty time and effort to the academic mission may be less secure. In systems with a more 'academic' manner of governance, the rigor and success of the academic mission is reinforced by direct oversight of the faculty practice plan by the medical school and dean."*

The discussion in the article (first published in August, 2018, and updated online for January, 2019) is both illuminating and troubling. At the core of the issues faced by an Academic Health Center is spelled out in the abstract of the Article:

*"... to ensure the prosperity of the academic mission, the governance structure of such health care systems is of critical importance. Preservation of academic oversight of the faculty practice plan, a unifying central focal point of organizational decision making, and genuine physician leadership are ... overarching governance characteristics that [can] strengthen the prosperity of the academic mission within large aggregated health systems."*

A key additional issue that is faced by the University's Board of Governors (BOG) is how to support an agreement that capitalizes on the richness of the opportunities afforded WSUSOM by working with HFHS, a giant health delivery system (approaching \$4 billion in annual revenue), discharge its constitutional governance responsibilities as elected officials of the State of Michigan, and also retain the appropriate level of commitment to the academic mission of the WSUSOM. The HFHS is a logical partner for the WSUSOM by dint of location and because of its shared commitment to teaching, patient services, and research objectives. Whatever organizational relationships are continued, or are developed, with HFHS in the future must address the question of what is the proper mix of corporate and academic goals?

As reported, four members of the BOG are balking at accepting the model set forth in the Letter of Intent (LOI), which came to the Board after years-long negotiations led by Mr. David Hefner, then Vice President for Health Affairs. The BOG, as stated in the President's message, was presented informally in September 2018, and a final form was given them in December 2018. He states that the BOG approved of the elements of the LOI as presented to them in September and in December when the final LOI was presented to them. He states, "*No concerns were expressed by the BOG until a few Board members expressed concerns in December.*"

But, importantly, in November there was an intervening election that changed the composition of the BOG. As is often stated: "*Elections have consequences.*" The old Board, on which the two members who were defeated in that election served, renewed President M. Roy Wilson's contract in its last meeting in December. That Board was replaced with one with two new members. With the election of two new

members, the “few” Board members with concerns with the LOI grew to four, half of the membership. It is instructive that a five-person majority of the new Board insisted that Vice President Hefner, WSU’s negotiator with HFHS, be dismissed and depart the campus immediately.

The core question that concerns all of the Board members, and should concern all of us, is that at which end of the organizational continuum from Corporate to Academic should the WSUSOM find its future relations with HFHS? There is no doubt that most of us would want the WSUSOM to be situated at the far Academic end of the continuum. But the controlling relationships will be between medical school, the Dean, the faculty practice plan and the hospitals in which the faculty clinicians deliver services to patients. Our situation is complicated by the fact that WSU does not own the hospitals in which our physicians practice. Our relationship with the Detroit Medical Center (DMC), part of a for-profit private corporation where they now practice, has complicated the situation. It has been the fraught relations with the DMC that has been the background for the negotiations with HFHS. Indeed, it could be argued that many of the WSUSOM troubles are related to the original sale of the DMC to a for-profit corporation. If the neat Academic model were possible to be established here, then the issues of the constitutional control of the University by the BOG and the control of the educational and research activities of the WSUSOM would be easy. The situation is not that neat. Moreover, what seems clear is that the LOI veered the situation of the WSOSOM toward the Corporate end of the continuum, and that is an underlying source of problems.

I disagreed with the President on his contention that the LOI was developed with wide participation of relevant members of the university community. This seems to be at the heart of his objections to my statement as being “*full of inaccuracies.*” In my private response to the President I stated:

*“Perhaps your concept of wide sharing is very different than mine. I do not believe that information on negotiations that may affect considerably the professional lives of many academics is widely shared, when none of the academic governance committees presenting the faculty and academic staff were consulted. None of the leadership of the Academic Senate has seen the LOI, nor has it been discussed with members of the Executive Committee of the School of Medicine. As the President of the Academic Union, I knew few of the details of these negotiations. The fact that senior administrators and chairs of some departments of the School of Medicine endorse negotiations with Henry Ford does not equate to “widely shared.”*”

I stand by this statement.

The President says that in my message to the bargaining unit members that I was wrong in stating my understanding that the proposed LLC would be given “*authority to control*” functions at the SOM, this, the President states is “*untrue.*” He follows this

by stating that WSU will retain the authority for management of a whole list of mostly educational functions. A major function that is not listed is the control over the delivery of patient care by our clinical faculty and the financial flows that are generated by these activities. These are presently under the control of the various faculty practice plans. A major function that is dealt with in all four of the organizational models laid out in the above figure is the role of the faculty practice plan. It is significant that this major activity is absent from the President's list of WSU controlled functions.

In another section of his statement, President Wilson chides me for stating what the LOI proposed the name of the LLC would be. He further states that, "*Had he read the LOI, he would realize this is simply not true; nothing like this is mentioned in the LOI.*" I accept his criticism. Perhaps, I should not have depended on hearsay evidence in stating what I did. However, he does not suggest where I might have obtained a copy of the LOI to read. It was never made available to me. If there had been the wide consultation that he suggests took place, a copy well might have fallen into my hands. But, I have not searched for anyone who had a copy and would be willing to share it with me. I remain in ignorance of the LOI's contents and can hardly be held responsible for not reading a secret document.

But, enough of this. President Wilson accuses me of false statements, but what this boils down to is that he disputes my contention that the long negotiations with HFHS was conducted primarily by Vice President Hefner without much transparency. Instead he maintains that there was a widely consultative process as part of the negotiations, with committees and sub-committees being involved.

All of this suggests that the situation is far more complicated than is portrayed by the President's letter attacking me. There are no easy answers to the present situation of the WSUSOM, but the question should be decided as part of a broadly consultative process that includes the consideration of the interests of all those in the university community whose professional lives will be affected by the decision. The academic governance institutions and the Union, which negotiates the terms and conditions of bargaining unit members, afford two ready instruments for the representation of these interests that have yet to be consulted. The legitimate governance concerns of BOG must also be accommodated in all of this. A key question is how a balance is to be struck between the corporate and the academic in any future negotiations with HFHS or any other health care organization?

In solidarity,

Charlie Parrish