PATIENT-CENTERED OUTCOMES RESEARCH INSTITUTE

Board of Governors Meeting via Teleconference / Webinar

Tuesday, February 27, 2018

12:00 pm – 1:30 pm ET

Board Members Present:

Grayson Norquist, MD, MSPH, *Chairperson*; Kerry Barnett, JD, *Vice Chairperson;* Debra Barksdale, PhD, RN; Larry Becker; Francis Collins, MD, PhD; Christine Goertz, DC, PhD; Leah Hole-Marshall, JD; Russell Howerton, MD; Gail Hunt; Sharon Levine, MD; Freda Lewis-Hall, MD; Barbara McNeil, MD, PhD; Ellen Sigal, PhD; Kathleen Troeger, MPH; Robert Zwolak, MD, PhD

Board Members Absent:

Allen Douma, MD; Alicia Fernandez, MD; Gopal Khanna; Harlan Krumholz, MD, SM; Richard Kuntz, MD, MSc

MINUTES

Agenda Item	PCORI Speakers
Call to Order, Roll Call, and Welcome - *Grayson Norquist, MD, MSPH, Chairperson* and *Joe Selby, MD, MPH, Executive Director*	Dr. Norquist chaired and opened the meeting, welcomed all to the meeting of the PCORI Board of Governors and read the Chair Statement on Conflict of Interest.
Consider for Approval: Consent Agenda • Minutes of the December 12, 2017 Board Meeting • Nominations for Healthcare Delivery and Disparities Research (HDDR) Advisory Panel Chair Positions - *Grayson Norquist, MD, MSPH*	Dr. Norquist introduced the Consent Agenda which included the approval of the December 12, 2017 meeting minutes; the nomination of Craig Umscheid, MD, MSCE, to serve as Chair of the Healthcare Delivery and Disparities Research Advisory Panel (HDDR); and the nomination of Umbereen Nehal, MD, MPH, to serve as Co-Chair of the HDDR Advisory Panel, each through August 2019. Dr. Norquist gave the opportunity to Board members to discuss any of the matters on the Consent Agenda. No separate discussion was requested. The following motion was presented to the Board of Governors for approval: **Motion:** Approve each of the motions on the Consent Agenda as reflected below: • Minutes from the December 12, 2017 Board Meeting • Nomination of Craig Umscheid as Chair and Umbereen Nehal as Co-Chair for the Healthcare Delivery and Disparities Research Advisory Panel (HDDR) to serve until August 31, 2019. *Approved by a majority vote of the Board by voice vote (no opposed; no abstentions)*
Consider for Acceptance: 2017 PCORI Financial Audit Report	Kerry Barnett, Chair of the Governance Committee, reminded the Board that the Governance Committee has responsibility for the oversight of PCORI's annual independent financial

- *Kerry Barnett, JD, Chair, Governance Committee and Tom Sneeringer, CPA, Partner, RSM US LLP*	audit and acts as the Board's audit committee. The FY2017 audit covers a 12-month period ending on September 30, 2017. The auditor's review began in mid—September 2017. Since the beginning of the audit, the Governance Committee met regularly (at least 5 different meetings) with the RSM US independent auditors, Tom Sneeringer, RSM Partner, and Matt Sprow, RSM Senior Manager, to receive periodic reports. Each meeting included an Executive Session between the auditors and the Governance Committee members. At the auditor's final meeting with the Governance Committee on January 12, 2018, the Committee received the final draft audit report. Mr. Barnett noted that the Governance Committee supports acceptance of the audit report by the Board. Mr. Barnett then introduced Tom Sneeringer to present the Board with the FY2017 Audit Report. Mr. Sneeringer noted that RSM auditors follow two sets of auditing standards for the audit at PCORI: the US Auditing Standards from the American Institute of CPAs Audit Standards Board, and the Government Auditing Standards. PCORI's audits are subject to review and submission to GAO. After applying these auditing standards, Mr. Sneeringer indicated that PCORI received an unmodified or "clean" opinion, that the financial statements presented fairly, in all material respects, the financial position of PCORI, the changes in PCORI's net assets and PCORI's cash flows for the fiscal year. Mr. Sneeringer reported that as a byproduct of the audit, RSM attached an Internal Control and Compliance Audit Report in accordance with Government Auditing Standards, and he noted that those reports are clean. There were no findings related to deficiencies or material weaknesses in internal controls over financial reporting, and no findings related to non-compliance issues. Mr. Sneeringer also reviewed PCORI's FY2017 statement of activities, including revenue, expenses, unrealized loss on investments, and change in net assets, including comparing to FY2016. He also reviewed PCORI's FY 2017 statement of financial position, including assets, liabilities and net assets compared to FY2016. He reported that FY2017 revenues were generally in the same range as revenues in FY2016, and expenses increased due to increases in research awards. Additionally, this year PCORI had an unrealized loss on investments related to PCORI's investments in Treasury bills. Mr. Sneeringer reported that the total Net Assets for FY 2017 was $940.3M and the total Change in Net Assets was $65.4M for FY2017.

	Mr. Sneeringer remarked that PCORI was in a very strong financial position. Mr. Barnett noted that in each Executive Session that the Governance Committee had with the auditors, the auditors had indicated that they were receiving information and materials from PCORI without difficulty and received cooperation from PCORI. Mr. Barnett asked whether any Board members had any questions. No separate discussion was requested. *The following motion was made by Grayson Norquist and seconded by Robert Zwolak:* **Motion:** Accept the 2017 PCORI Financial Audit Report. *Approved by a majority vote of the voting Board members by roll call vote (14 in favor; 0 opposed; 0 abstentions; 0 recusals): Ellen Sigal was not present for this vote.*
2018 PCORI Strategic Plan Update - *Joe Selby, MD, MPH*	Dr. Selby presented on 2018 planning efforts to update the PCORI Strategic Plan. He indicated that PCORI's initial Strategic Plan was approved by the Board in November 2013 has served PCORI well, and that it is now appropriate to consider an update of the Strategic Plan. He shared that initial discussions have identified 7 working proposals for possible revisions to the Strategic Plan, and described potential elements of each of these working proposals. He shared the envisioned major components of the Strategic Plan update process, highlighting envisioned major tasks for Strategy Committees and the Board in 2018. Board Members expressed interest in sharing experiences of working with CMS and FDA, to help PCORI to strengthen ties. They also discussed ways to further the work of the Methodology Committee by enhancing current approaches and moving into new areas.
Wrap up and Adjournment - *Grayson Norquist, MD, MSPH*	Meeting ended at 1:02 pm

Minutes were approved by the PCORI Board of Governors 03-20-2018