

Governance Process Policies

Each policy will receive its own unique number once governing board has completed this review.

Purpose of this quadrant of policies: Define the governing body's approach to its responsibilities and various logistical concerns. These policies go beyond what is typically found in bylaws and focus on how to work together effectively.

Global Governance Commitment

The governing purpose of the board is to ensure that the Prescription Drug Affordability Board (PDAB) organization achieves results for Minnesota, as defined in [Minnesota Statute 62J.90](#) and its End Results Policies, at a cost commensurate with available organizational resources, and in a manner that avoids unacceptable actions and situations, as is prohibited by applicable state or federal laws or its Executive Limitations Policies. Although the board can change its Governance Process policies at any time, it will scrupulously observe those currently in force, and relevant to state statutes including but not limited to [Minnesota Statute 62J.90](#), [Minnesota Statute 15.0575](#), and federal law.

Governing Approach

The board will govern lawfully, observing the principles of the Policy Governance model ([PG source document 2021.pdf](#)), with an emphasis on:

- Outward vision rather than an internal preoccupation
- Encouragement of diversity in viewpoints
- Strategic leadership rather than administrative detail
- Clear distinction between board and executive director roles
- Collective rather than individual decisions
- Future rather than past or present
- Proactivity rather than reactivity

The board will cultivate a sense of group responsibility. Accordingly:

Board responsibility

The board, not the staff, is responsible for governing. The board will govern with the highest standards of effectiveness and integrity.

Board Initiates Policy

The board will direct, guide, and inspire the organization through the careful establishment of broad written policies reflecting the board's values and perspectives and the intended long-term impacts outside the organization rather than the administrative or programmatic means of attaining those impacts. It is not the role of staff to initiate or set policy related to governance.

Use of Expertise

The board may use the expertise of individual members to enhance the board's understanding but will not use the expertise of individual members as a substitute for the judgement of the board or as a rationale for inserting themselves into the executive director or staff's administrative or programmatic responsibilities.

Group Obligation

A sense of group responsibility will compensate for the underperformance or lack of follow-through if an officer, member, or work group of the board does not fulfill an obligation.

Support of Board Decisions

Members will recognize and accept final decisions of the board including situations when their individual vote was contrary to the outcome unless and until a motion to reconsider is considered by the board.

Board's Governing Job Products

Specific job outputs of the board allow it to lead the organization toward its desired and appropriate organizational performance. Accordingly, the board has responsibility to create the following materials or perform the following activities:

Patient and Stakeholder Engagement

Demonstrate the board's accountability by accepting input from individual Minnesotans and stakeholders to inform effective organizational decisions and by publicly reporting on organizational efforts, findings, and results.

Governing Policies

Produce written governing policies that address organizational decisions and situations at a broad level including:

End Results policies The specific organizational results expected for those people and organizations impacted by the statutory duties of the organization.

Executive Limitations policies Constraints on the executive director’s authority that create the boundaries of prudence, law, and ethics within which all organizational activity and decisions must take place.

Governance Process policies How the board approaches, carries out, and monitors its own work.

Board-Management Delegation policies How authority is delegated and monitored by the board.

Executive Director Performance Assessment

Assess the performance of the Executive Director and the organization as measured against End Results and Executive Limitations policies.

Additional Drug Review and Decisions Responsibilities

With the administrative support of the Executive Director and staff, it is the responsibility of the board to identify selected prescription drug products based on an agreed upon methodology and set of criteria that align with [Minnesota Statute 62J.90](#).

Following drug product identification, the board may initiate a cost review of a prescription drug product. If there is no consensus among the members of the board on whether to initiate a cost review of a prescription drug product, any member of the board may request a vote to determine whether to review the cost of the prescription drug product.

The board will assess whether or not the spending on a prescription drug product reviewed under section [62J.91](#) creates an affordability challenge for the state health care system or for patients. Should the board determine, through a process that aligns with its commitment to transparency and collective deliberation, that a specific drug product creates an affordability challenge, the board shall consider establishing an upper payment limit in accordance with section 62J.92.

Governing Board Conduct

The Board governs with the highest standards of effectiveness and integrity, including exemplary attendance and meeting preparation, sound policymaking principles, respect for roles, and compliance with state and federal laws, including but not limited to the board’s enabling legislation, Minn. Stat. Sec 62J.87, Minnesota’s Open Meeting Laws (<https://www.revisor.mn.gov/statutes/cite/13D>) and Government Data Practices Act. Accordingly:

Conflict of Interest

Board members will operate within the boundaries of state statutes guiding governing boards *(add appropriate citation(s))* and the board's [Conflict of Interest policy](#).

Board Accountability

The board will strive to conduct itself to the highest standards of effectiveness and integrity. A procedural guide may be developed to help with the maintenance of accountability in matters such as attendance, preparation for meetings, role responsibilities, governing policies, and ensuring the continuance of governance capacity.

Board Development

Continual board development will include an orientation of new members to the board's governing process and regularly scheduled board education on topics the board determines relevant and necessary to their responsibilities.

Self-Assessment

At least annually, the board will assess and discuss its performance against these policies and implement improvement plans as appropriate.

Governance Work Plan

To accomplish its job in a manner consistent with its policies, the board will follow an annual work plan that includes a review of its policies and efforts to continually improve board performance through board education, enriched input, and healthy deliberation. Accordingly:

Annual Board Cycle

The cycle will conclude each year at its annual meeting as defined in the bylaws so that administrative planning and budgeting can be based on accomplishing a one-year segment of the board's End Results Policies.

Annual Governing Work Plan

The board will confirm its annual governing work plan including its policy development, monitoring schedule, self-assessment, and educational schedules.

Meeting Operating Procedures

Meetings of the board will allow for thoughtful and thorough fulfillment of its governing responsibilities in addition to its drug review responsibilities. Meetings will be structured to support an emphasis on process effectiveness and decision-making integrity. Accordingly:

Submitting Agenda Items

A board member may recommend or request an item for board discussion by submitting the item to the chairperson and executive director no later than 21 days before the board meeting.

Governance Investment

Because poor governance costs more than learning to govern well, the Board will invest in its governing capacity. Accordingly:

Adequate Investment in Governance

Board skills, methods, and support will be sufficient to ensure governing with excellence including:

Training Training and retraining will be used liberally and within budget means to orient new members as well as to maintain and increase existing board members' skills and understandings.

Monitoring Assistance Outside monitoring assistance may be arranged so that the Board can exercise confident control over organizational performance. This includes, but is not limited to, financial and internal audits.

Outreach Mechanisms Outreach mechanisms will be used as needed to ensure the board's ability to listen to patient and stakeholder viewpoints and values.

Budgeting Governance Costs

The board will establish its cost of governance budget for the next fiscal year during its annual meeting. To the extent that PDAB encounters unexpected needs, iterative discussion will take place during the budget development period to adjust budgets accordingly. Budget items for the following categories will be considered as needed.

Training Budget For training, including attendance at conferences and workshops.

Auditing Budget For auditing and other third-party monitoring of organizational performance.

Meeting and Information Gathering Budget For surveys, focus groups, opinion analyses, and meeting costs.

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Board Committee Principles

Board Committee Structure