

Governance Process

Purpose: Defines 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 statute ([statute link](#)) and End Results Policies, at a cost commensurate with available organizational resources, and avoids unacceptable actions and situations, as is prohibited by applicable state or federal laws or by Executive Limitations Policies. Although the board can change its Governance Process policies at any time, it will scrupulously observe those currently in force, relevant state statutes (<https://www.revisor.mn.gov/statutes/cite/15.0575>), and federal law.

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 direct responsibility to create the following materials or perform the following activities to ensure that the organization accomplishes its mission:

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

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

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

Board-Management Delegation 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.

Hold for language re: additional drug review/decisions responsibilities

(Drug Review process is not defined yet. Work should be completed by June 2026.)

Governing Approach

The board will govern lawfully, observing the principles of the Policy Governance (link to Source Document) model, 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.

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.

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.

Conflict of Interest

Board members will operate within the boundaries of state statutes guiding governing boards (cite) and the board's Conflict of Interest policy [OneDrive - State of Minnesota - MN365\Documents\Draft Conflict of Interest Jun 23 2025 CLEAN.pdf](#).

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 a thorough 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.

Consent Items

The consent agenda is limited to the approval of items the Board would not normally have on its agenda because they have been delegated to the executive director, but the item requires “board approval” by a state agency or law. Therefore, the executive director is responsible for supplying items for this portion of the agenda. The consent agenda is not a means for expediting “non-controversial” board decisions such as the approval of past minutes.

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 will 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 stakeholder viewpoints and values.

Hold for possible future discussion:

Budgeting Governance Costs

Costs will be sensible but not at the expense of the development and maintenance of a capable Board. To the extent that PDAB encounters unexpected needs, iterative discussion will take place during the budget development period to adjust budgets accordingly. The board will establish its cost of governance budget for the next fiscal year during its annual meeting. 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.

Board Committee Principles

Board Committee Structure