

Nebraska Medicine Governance: FAQs

On January 9, the University of Nebraska Board of Regents will consider a strategic transaction that will greatly benefit the citizens of Nebraska by helping to transform Nebraska's health care through education, research and extraordinary patient care. This transaction represents an important opportunity in the overall vision to create the world's best health care system in Nebraska. Following are frequently asked questions and answers about this change.

Will Nebraska Medicine become a state entity?

No. Nebraska Medicine will remain a separate not-for-profit entity as a 501(c)(3) with the University of Nebraska as the sole member. The University of Nebraska already has several long-standing successful 501(c)(3) subsidiaries that are not-for-profit entities with their own separate governing boards unique to their missions.

Is Nebraska Medicine currently an independent healthcare system?

No. Nebraska Medicine (and its predecessor organization, TNMC) is a 501(c)(3) nonprofit health system that is wholly owned by the University of Nebraska and Clarkson Regional Health Services (CRHS), and has been since 1997, with carefully defined reserved and delegated governing authorities. Further, Nebraska Medicine's tax-exempt status requires it to be a supporting organization for Nebraska Regents and CRHS.

Is CRHS prohibited from withdrawing their membership rights in Nebraska Medicine?

No. CRHS is not prohibited from withdrawing their membership rights in Nebraska Medicine. This is fully within their governance-determined rights.

Will Nebraska Medicine's Board of Directors be eliminated, with oversight shifted to the University of Nebraska Board of Regents?

No. Nebraska Medicine, just like the University's other 501(c)(3) subsidiaries, will continue to have its own Board of Directors, articles of incorporation, bylaws and budget.

How are most other top-tier U.S. academic medical centers governed?

The sole-member University governance model is by far the most widely used and most successful governance model of top tier public and private academic medical centers. The two-member model currently in place at Nebraska Medicine represents the historic joint operating agreement by the University and CRHS, which was initially entered into in 1997 and revised in 2016.

Will all Nebraska Medicine employees become University employees?

No. Many Nebraska Medicine employees – including the physician faculty – are already dually employed by UNMC and Nebraska Medicine and have been for more than a decade. The dual-employment model will not change, nor will the status of all other employees either fully employed by Nebraska Medicine or UNMC.

Will Nebraska Medicine employees become state employees?

No. Nebraska Medicine employees will not become state employees. Nebraska Medicine will continue to be a separate entity with its own employees and employment policies.

Will Nebraska Medicine's cash reserves be used to address budget shortfalls within the university?

No. As a separate entity, Nebraska Medicine will have its own budget, cash reserves and governance. Beyond existing commitments and proposed support changes already made by Nebraska Medicine's Board of Directors to Project Health and other academic/clinical projects, the University will not use the cash reserves of Nebraska Medicine for other uses and leadership of Nebraska Medicine was told that in a recent meeting on December 17th.

Was Nebraska Medicine involved in this transaction?

Since CRHS is resigning from Nebraska Medicine, the transaction to be considered by the Regents is a transaction between only two parties, the Regents and CRHS. Once it has resigned, CRHS will have nothing to say about the future governance of Nebraska Medicine. The Regents have made it very clear to Nebraska Medicine on numerous occasions and in the Term Sheet that was made public on Friday, that the Regents will not close the transaction until work with Nebraska Medicine Board of Directors about the future governance of Nebraska Medicine is agreed upon.

How was this transaction initiated?

Clarkson Regional Health Services approached the University of Nebraska Board of Regents Chair and the Nebraska Medicine Board Chair in July of 2024 to let the University and Nebraska Medicine know that it intended to exercise its rights under state law to resign from its 50% position in Nebraska Medicine.

Will University of Nebraska limit provider and staff compensation?

The University will not limit provider and staff compensation. Just like other academic medical centers around the country that are part of a public or private university system, the Nebraska Medicine Board and Executive leadership will continue to make compensation decisions to recruit and retain top talent.

How will the University of Nebraska finance this transaction?

This will be financed through a carefully planned debt structure and monetization of the real estate property and other assets being transferred. The University will not use state funds or other academic programming funds to finance this process.

How will this process impact Project Health construction?

The University will continue to plan and implement the recently approved Project Health construction based upon the public and private financing that has been committed, including the current Nebraska Medicine commitments and an additional historic philanthropic commitment to Project Health by Clarkson Regional Health Services.

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