

## MODIFICATION REQUEST COVER SHEET

<b>Name of Filer</b>	<b>LEWIS EDELHEIT</b>
<b>Reporting Period</b>	<input checked="" type="checkbox"/> Annual report – calendar year 2013 <input type="checkbox"/> Appointee report:
<b>Type of Request</b>	<input type="checkbox"/> New <input checked="" type="checkbox"/> Renewal with No Change – Original granted on June 28, 2012 <input type="checkbox"/> Renewal with Change
<b>Office Held &amp; Term</b>	Trustee, Life Sciences Discovery Fund Appointed term expires in 2013, awaiting re-appointment by Governor Inslee.
<b>PDC Protocol</b>	<input type="checkbox"/> Attorney: Interpretation #02-03 <input type="checkbox"/> Judge / Judicial Candidate: Interpretation #02-04 <input type="checkbox"/> Automobile Dealership: Interpretation #02-05 <input type="checkbox"/> Spousal: Interpretation #02-06 <input checked="" type="checkbox"/> WAC 390-28-100(1)(b) & (1)(e) – Income and ownership
<b>Supporting Documents (attached)</b>	<input checked="" type="checkbox"/> Current F-1 <input checked="" type="checkbox"/> Modification Application <input checked="" type="checkbox"/> Prior order (if renewal) – Order #3082
<b>Background (from Life Sciences Discovery Fund website: <a href="http://www.lsdfa.org">www.lsdfa.org</a>)</b>	<p>The Life Sciences Discovery Fund was established in 2005 by the Governor and Washington's Legislature to foster growth of the state's life sciences sector and improve the health and economic wellbeing of its residents. LSDF invests monies from the Master Tobacco Settlement Agreement in research across Washington that demonstrates the strongest potential for delivering health and economic returns to the state.</p> <p>The Life Sciences Discovery Fund Board of Trustees is an eleven-member board consisting of seven members appointed by the Governor and four members appointed by the Washington Legislature.</p>
<b>Reason(s) for Modification (as stated by filer)</b>	<ul style="list-style-type: none"> <li>• Mr. Edelheit is requesting a reporting modification that would exempt him from disclosing the business customers that paid \$10,000 or more during the reporting period to Talyst Corporation.</li> <li>• Mr. Edelheit is requesting a reporting modification that would exempt him from disclosing the business and other governmental customers that paid \$10,000 or more during the reporting period to Virginia Mason Health Systems.</li> </ul> <p><u>Talyst Corporation</u></p> <ul style="list-style-type: none"> <li>• Mr. Edelheit serves on the Board of Directors for Talyst. The company is based in Bellevue, has \$32 million in annual revenue, and approximately 100 employees. He said the company sells automation equipment &amp; software for improving patient safety and operational efficiency in acute care hospital pharmacies. Talyst also provides equipment for dispensing medication to patients in long-term care facilities and inmates in correctional facilities. He said he is not involved in the day-to-day operations and does not have access to the entity's customer information.</li> </ul>

- Mr. Edelheit stated that Talyst operates in a very competitive industry and disclosing business customers would be very useful to the company's competitors who would go after the customers to take over the profitable recurring revenue of the business. He stated that about 430 of Talyst's customers would be reportable.
- Mr. Edelheit provided a list of governmental customers of Talyst.

Virginia Mason Health System

- Mr. Edelheit serves on the Board of Directors for Virginia Mason, a non-profit, complex health system which includes a large hospital in Seattle, multiple clinics, and the Benaroya Research Institute (BRI). Virginia Mason has \$950 million in annual revenue, 5,700 employees, and over 200,000 customers. He said he is not involved in the day-to-day operations and does not have access to customer information.
- Mr. Edelheit stated that Virginia Mason has more than 2,000 reportable customers, including insurance companies, other health care organizations, pharmaceutical contracts, corporate business partners, etc. He said it would be very difficult to compile and disclose customer information because there are multiple categories of customers and multiple accounting systems which hold this data.
- Mr. Edelheit indicated that almost all of the payments are related to health care services and have no connection with the work of the LSDF board, with one exception, BRI. He disclosed that BRI, which is part of Virginia Mason, receives funds from LSDF. He stated that he fully disclosed (on the F-1 Supplement) that BRI received two LSDF grants to perform research. He stated that he will recuse himself from voting in matters related to BRI.

**Staff  
Recommendations**

Approve renewal of the reporting modification with no change.