

UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY
Minutes of Board of Directors Meeting

November 4, 2009

PRESENT: David Walsh (Chair), Michael Weiden (Vice Chair), Carol Booth, Richard Choudoir, Sen. Jon Erpenbach (on telephone), Dean Katharyn May, Pablo Sanchez, Dan Schooff, Michael Spector, and Dr. Humberto Vidaillet

EXCUSED: Roger Axtell, Judith Crain, Dean Robert Golden, Chancellor Carolyn Martin, Rep. Cory Mason, Dian Palmer and Dr. George Wilding

LIAISONS: Donna Katen-Bahensky and Dr. Michael Bentz

STAFF: Kristi Amelong, Jane Barnett, Mike Buhl, Jan Bultema, Dr. Tony D'Alessandro, Jim Dechene, Dr. Carl Getto, Ron Gilmore, Mark Hamilton, Connie Kinsella, Dr. Mark Kirschbaum, Lisa Maroney, Dr. Maureen McCausland, Robert Miller, Mary O'Connell, Sara O'Loughlin, Jeff Poltawsky, Renee Rizzo, Mike Sauk, Kari Schrage, Ron Sliwinski, Dan Weissburg, Terry Wilkerson, Kelly Wilson, and Beth Zaher

1. Call to Order

Mr. David Walsh, Chair, opened the meeting of the Board of Directors of the University of Wisconsin Hospitals and Clinics Authority at 1:27 p.m. A quorum was present.

2. Approval of Minutes of September 9, 2009, Authority Board Meetings

Mr. Weiden moved approval of the minutes of the September 9, 2009, meetings. Dr. Vidaillet seconded the motion and it passed unanimously.

3. Review and Approval of Medical Staff Membership and Clinical Privileges

Dr. Bentz, President of the Medical Staff, presented the Medical Board recommendations concerning medical staff memberships and clinical privileges. Dr. Vidaillet moved that the recommendations be approved. Dean May seconded the motion and it passed unanimously.

4. Review of Credentialing Process

Dr. Bentz described the medical staff credentialing process.

5. Recess for Meeting of the Governing Body of UWHC Board

The Board recessed to conduct a meeting of the Governing Body of University of Wisconsin Hospitals and Clinics Board. At the conclusion of that meeting, the Board of Directors reconvened.

6. Approval of Process for Managing Conflict among Leadership Groups

Mark Kirschbaum, Senior Vice President, Information and Quality, presented a proposed process to manage conflicts of leadership [attached Exhibit 1]. The Joint Commission now requires that accredited hospitals have such a process that is approved by their governing body. Dean May moved approval with the understanding that it would be reviewed with the President of the UW Medical Foundation and the Dean of the UW School of Medicine and Public Health and if they had concerns they would be brought back to this Board. Mr. Spector seconded the motion and it passed unanimously.

7. Annual OPO update and Approval of OPO Advisory Board Bylaws Amendments

The UWICA Board of Directors is the governing body for the UWHC Organ Procurement Organization (OPO).

Tony D'Alessandro, MD, Medical Director of the OPO delivered the annual report to the Board first highlighting the roles of an OPO which include: coordinating the organ donation process for their service areas, generating referrals from donor hospitals within the OPO Service Area, providing public education for organ donation awareness and data reporting & regulatory compliance. The OPO service area includes 105 hospitals in 70 counties and includes 3.2 million people. Dr. D'Alessandro, shared with the Board details that the OPO meets the Centers for Medicare/Medicaid Services (CMS) OPO Conditions of Participation and exceeds the outcome measures based on donation and conversion rates.

Dr. Vidaillet moved approval of the proposed amendments to the Bylaws of the OPO Advisory Board [Attached Exhibit 2]. Mr. Schooff seconded the motion and it passed unanimously.

Dr. D'Alessandro answered questions from the Board regarding the criteria for determining death using the donation after cardiac death protocol.

Donna Katen-Bahensky, President and CEO, thanked Dr. D'Alessandro and the OPO team for maintaining the excellence of the OPO.

8. Annual Nursing & Patient Care Services Update

Maureen McCausland, DNSc, RN, FAAN, Senior Vice President and Chief Nursing Officer, delivered her FY09 report on Nursing and Patient Care Services. The report included highlights from the respiratory care and clinical nutrition areas and highlighted advances in the professional practice model featuring primary nurses, who are responsible for coordinating the plan for care between the patients and the entire health care team.

Dr. McCausland highlighted the results of the professional practice and engagement results for FY09 which demonstrated no variables under low satisfaction and demonstrated an increase in variables reaching high satisfaction. Seventy-four percent of the nurses hold a BSN or higher degree and 21 percent hold professional certifications. The mean age of nurses is 39.1, lower than the national average. Dr. McCausland also shared current and future challenges for nursing and patient care services, which includes addressing declines in patient satisfaction in nursing while responding to advances in technology and increasing patient volumes. Other opportunities include addressing the recommendations of the Magnet Commission and positioning nursing and UWHC for success in the world of health care reform and innovative fiscally responsible practice.

9. Board Committee Reports

Dean Katharyn May, PhD, RN, reported on the Performance Improvement Risk Management and Safety (PIRMS) Committee meeting. After a Centers for Medicare and Medicaid Services Transplant follow-up survey, UWHC was found in compliance with Medicare Conditions of Participation and continues with deemed status under The Joint Commission standards. Dean May also reported a positive survey of our inpatient psychiatric unit and the Adolescent Alcohol/Drug Assessment Intervention Program.

Michael Buhl, Senior Vice President and Chief Financial Officer, reported on the meeting of Finance and Audit Committees. The Audit Committee reviewed and approved the final audit report from Deloitte & Touche. In addition, the Committee received an update on the progress of the HealthLink implementation. In addition, the Committee reviewed internal audits and compliance activities.

The Finance Committee reviewed the financial results for the three months ending September 30, 2009. The Committee recommended that the Board approve incremental project funding for the HealthLink electronic health record project.

10. HealthLink Incremental Project Funding

Mr. Kirschbaum reported on the status of HealthLink implementation and presented the proposed resolution to increase the capital investment for

ongoing implementation of the HealthLink electronic health record. Mr. Buhl explained that the word “budget” in the title of the resolution needed to be changed to “project.” Mr. Weiden moved approval of the resolution with the title change [attached Exhibit 3]. Dean May seconded the motion and it passed unanimously.

11. CFO Report

Mr. Buhl reported operating results for September 2009 and year-to-date progress. Adult and pediatric inpatient activity is favorable to budget for the month and YTD with clinic visits above plan for the month. The Emergency Department has seen strong patient volumes and remains above budget for the month and the year. Activity is strong in key service areas including surgical procedures and transplants which both finished the month above budget. In addition, radiological, radiotherapy and cardiovascular procedure volumes are all above budget.

Net gain from operations for September was \$4.1 million. Net income including non-operating income was a \$2.8 million loss. Mr. Buhl explained that this was due to the \$10 million reduction in fair value of the bond swap that was arranged to hedge against the risk of volatility in variable interest rates.

Year-to-date through September net gain from operations was \$16.1 million and net income including non-operating income was \$14.9 million.

12. CEO Report

Introduction. Donna Katen-Bahensky introduced Ron Sliwinski, the new Vice President, Professional Services.

Strategic Plan. Ms. Katen-Bahensky reported on the UW Health Strategic Plan. Completed with UW Medical Foundation and the UW School of Medicine and Public Health, a new mission, vision and values have been finalized as well as goals for the seven focus areas of Quality Distinction, Service Excellence, Healthcare’s Best Work and Academic Environment, Integration and Alignment, Clinical Priorities, Geographic Strategy and Primary Care.

H1N1. Seventy-four percent of UWHC Staff have received the seasonal influenza vaccine. This is up from 64 percent in 2008. Centers for Disease Control and Prevention (CDC) figures for the 2007-08 flu season, the most recent available, show that 45.4 percent of U.S. health care workers ages 19 to 64 were immunized against seasonal flu that year. The response to the 2009 H1N1 influenza includes extensive coordination with Madison, Dane County, state and federal agencies and other health care organizations. UWHC is prioritizing available H1N1 vaccine based on CDC guidelines, including immunization of clinical staff and targeting high-risk patient populations.

Accreditation of Residency Programs. The UWHC Graduate Medical Education program has received a five-year accreditation from the Accreditation Council for Graduate Medical Education (ACGME). This is the longest cycle possible for a graduate medical education program and speaks to the quality of the UWHC residency and fellowship program.

Recognitions. For the fifth year in a row, UWHC has been named one of the 10 top-performing academic health centers in the United States by the University HealthSystem Consortium. This alliance of academic health centers in the U.S. and their affiliated hospitals, ranks hospitals annually based on a national quality and accountability benchmarking study and ranked UWHC sixth.

For the third year, *Working Mother* magazine honored UWHC naming it a *Top 100 Company to Work for*, for its family-friendly programs including flexible work schedules, opportunities for growth and development, wellness activities and benefits for part-time workers.

The Wisconsin Healthcare Public Relations and Marketing Society Awards honored UWHC with multiple Awards of Excellence for multiple print and online marketing and communication projects.

Online Community. Ms. Katen-Bahensky introduced <http://our.uwhealth.org>, a new Web site featuring an online community designed to spark learning, sharing, involvement and even support for UWHC, including American Family Children's Hospital, and the UW Carbone Cancer Center.

13. Closed Session

There being no other matters for the open session, Mr. Walsh proposed to take the meeting into closed session as previously announced. Mr. Walsh announced that the purpose for the closed session was for the discussion of financial and other matters, including budgetary matters, which for competitive reasons require a closed session, as provided in section 19.85(1)(e), Wis. Stat.; and to consider employment and performance evaluation data of public employees, as provided in section 19.85(1)(c), Wis. Stat.; pursuant to Section 19.85(1)(g), Wisconsin Statutes, to confer with legal counsel who is rendering advice concerning strategy to be adopted with respect to litigation in which UWHCA is or is likely to become involved; and for review of the services of health care providers, pursuant to section 146.38, Wis. Stat. Dr. Vidaillet moved that the Board enter closed session. Dean May seconded the motion. The motion passed with a unanimous roll call vote. The following members voted for the motion: David Walsh (Chair), Michael Weiden (Vice Chair), Sen. Jon Erpenbach (on telephone),

Dean Katharyn May, Pablo Sanchez, Dan Schooff, Michael Spector, and Dr. Humberto Vidaillet. Ms. Booth and Mr. Choudoir are non-voting members.

No action was taken in the closed session.

The meeting adjourned.

Respectfully Submitted,

James C. Dechene, Secretary

Process for Managing Conflict among Leadership Groups

Approved by the Board of Directors of the University of Wisconsin Hospitals and Clinics Authority on November 4, 2009.

Background

This document describes a process for managing conflict among leadership groups that may affect hospital performance. This process also meets The Joint Commission Leadership Standard LD 02.04.01.

The UWHC medical staff is comprised only of faculty of the UW School of Medicine and Public Health (UWSMPH). Until 1996 UWHC was part of the UW-Madison and the medical staff and hospital were ultimately accountable to the UW Board of Regents. When UWHC was constituted as a separate legal entity, the integral relationship of UWHC and UW continued. By law, two medical staff members serve on the Board of Directors of UWHC - the dean of UWSMPH and the chair of one of the clinical departments. By law, the Chancellor of UW-Madison and one other UW faculty member also serve on the UWHCA Board. The Bylaws of the Board include a standing invitation to the President of the Medical Staff and the President of the UW Medical Foundation (UWMF) to attend the meetings of the Board, including its planning retreats.

The Affiliation Agreement between UWHC and UW mandated by the legislature further mandates and defines the interrelationship. Article XXII of the affiliation agreement sets forth a formal dispute resolution mechanism to address disputes that arise between UW and UWHC that starts with a 45 day period of negotiations between representatives designated by the UW Chancellor and UWHC President. This formal dispute mechanism has not yet been needed.

Medical staff members serve on all administrative committees whose jurisdiction impacts quality and safety of care. Medical staff members serve on the strategic planning committees. UWHC administrative leaders sit on the Medical Board of the Medical Staff. The UWHC Chief Medical Officer meets regularly with the officers of the Medical Board.

In the revision of organizational values during 2009, leaders from UWHC, UWSMPH, and UWMF collaboratively endorsed values conducive to a positive organizational environment: Excellence, Innovation, Compassion, Integrity, Respect, and Accountability. Explicit behavioral standards support the selection, appraisal and development of leaders.

UWHC and its medical staff have one integrated set of policies and procedures. All official policies and procedures that impact on quality and safety of care and the practice of the medical staff are reviewed and approved by the Medical Board of the Medical Staff.

The Dean of UWSMPH, the President of the Medical Foundation and the President of UWHC meet weekly for joint planning and problem resolution.

Conflict Management Process

1. Meeting with the involved parties as early as possible to identify the conflict.

Organizational leaders are encouraged to identify conflicts early in any of the venues mentioned above and manage them to mutual agreement. Should efforts to manage conflicts among leaders fail, the conflict would be raised at the weekly meeting of the UWSMPH Dean, the UWMF President, and the UWHC President, or they can convene a meeting of representatives.

2. Gathering information regarding the conflict.

The UWHC President and/or designee(s) gathers information from the involved parties regarding the conflict.

3. Working with the parties to manage, and when possible resolve the conflict.

The UWHC President and Senior Vice Presidents are skilled in conflict management. They would work with the UWSMPH Dean and the UWMF President and/or their designees to manage and when possible resolve the conflict. The UWHC President, in consultation with the UWSMPH Dean and UWMF President, may involve additional outside persons skilled in conflict management.

The UWHC President, in consultation with the UWSMPH Dean and the UWMF President, may refer conflicts to the UWHC Board of Directors or the UW Medical Staff Liaison Committee or may invoke the formal dispute resolution mechanism under the Affiliation Agreement.

4. Protecting the safety and quality of care.

When the conflict could adversely impact patient safety or quality of care, the UWHC President in consultation with the UWSMPH Dean and UWMF President takes immediate steps that are necessary to protect the safety and quality of care.

When the UWHC President, the UWSMPH Dean and/or the UWMF President are not available their roles may be performed by their designees.

**BYLAWS OF THE ADVISORY BOARD
OF THE
UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY
ORGAN PROCUREMENT ORGANIZATION**

Approved by the Board of Directors of the University of Wisconsin Hospitals and Clinics Authority - November 4, 2009

ARTICLE I

ORGANIZATION AND PURPOSE

The University of Wisconsin Hospital and Clinics Organ Procurement Organization (UWHC-OPO), was established to manage the solid organ procurement and allocation of the University of Wisconsin Hospitals and Clinics Authority (UWHC) in accordance with all UWHC bylaws, policies and procedures, United Network for Organ Sharing (UNOS) policies and procedures, state and federal statutes and regulations, and other applicable rules and regulations. The UWHC-OPO is an integral part of UWHC, which is accountable to UWHC Administration.

The UWHC OPO Advisory Board is created to perform the functions specified in these Bylaws. The UWHC OPO shall have no other advisory boards.

ARTICLE II

MEMBERS

Section 2.1 Purpose of UWHC-OPO Advisory Board. The purpose of the UWHC-OPO Advisory Board shall be to provide general guidance to the UWHC OPO on operations, serve as ambassadors for the OPO in the community, serves as communication channel for those board members involved in donation and perpetuate the membership of the board. The Advisory Board shall have the authority to make policy recommendations as specified in Article V.

Section 2.2 Composition of the Board of Members. The Advisory Board shall include at least one representative of the following categories:

- (1) The Executive Member of the UWHC-OPO;
- (2) UWHC Hospital Administration representative;
- (3) A hospital administrator who represents an acute care donor hospital;
- (4) Emergency Department or ICU representative;
- (5) A tissue bank and/or eye bank representative;
- (6) A voluntary health association's representative;
- (7) A representative of the public residing in the UWHC OPO's service area
- (8) A physician with knowledge, experience or skills in the field of histocompatibility, or an individual with a doctorate degree in a biological science and with knowledge, experience, or skills in the field of human histocompatibility;
- (9) A neurosurgeon or other physician with knowledge or skills in the neurosciences;
- (10) A transplant surgeon representing each transplant hospital in the service area with which the UWHC OPO has arrangements to coordinate its activities (The transplant surgeon must have practicing privileges and perform transplants at the transplant hospital represented); and
- (11) An organ donor family member.

No member of the governing body of UWHC may be a member of the Advisory Board.

Section 2.3 Appointment and Term. Each Advisory Board member shall be appointed for a two year term. Each Advisory Board member can be re-appointed to an unlimited number of terms. Recommendations for appointment or reappointment shall be made by a majority vote of the Advisory Board either by mail or at a meeting. Appointment and reappointment shall be by the President & CEO of UWHC and may include persons not recommended by the Advisory Board. Each appointment must be in a category specified in section 2.2. Vacancies in any category shall be promptly filled. Each member shall serve until his/her successor shall be duly elected and qualified or until his/her death, resignation or removal as provided in these Bylaws.

Section 2.4 Removal of Members. Members may be removed at any time by a majority of the members of the Advisory Board or by the President & CEO of UWHC.

Section 2.5 Quorum. A majority of the Advisory Board members shall be necessary to constitute a quorum. Members participating by teleconference shall be considered present. The act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Advisory Board.

Section 2.6 Meetings and Notices. Meetings of the Advisory Board may be called by the Chair of the Advisory Board, the Executive Member of the UWHC-OPO, and/or the transplant surgeon member upon not less than three (3) days' written notice. The purpose of any such meeting should be specified and an agenda will be provided. The Advisory Board will meet two times each year at a minimum. Meeting minutes will be taken and distributed to all members and attendees.

Section 2.7 Attendance. Members are expected to attend all meetings. Members who do not attend at least one meeting per calendar year shall be automatically removed from membership at the end of the year, unless excused from all meetings during that year.

Section 2.8 Action by electronic voting. The Advisory Board may act by email ballot or other electronic voting. Upon electronic approval by a majority of the members, the action shall be the Act of the Advisory Board.

ARTICLE III

OFFICERS OF THE BOARD

The Advisory Board shall have a Chair, a Vice Chair, a Secretary and other officers as the members may from time to time elect. Officers shall be elected annually by a majority vote of the Advisory Board. Any two or more offices may be held by the same person except the offices of Chair and Vice Chair. Any officer may be removed by a majority vote of the Advisory Board. Any vacancy occurring in any office shall be filled by the members.

ARTICLE IV

COMMITTEES OF THE BOARD

The Advisory Board may appoint committees to provide it with assistance.

ARTICLE V

POWERS OF THE ADVISORY BOARD

Section 5.1 Powers of the Advisory Board. The Advisory Board may recommend policies on the following:

- (1) Procurement of organs.
- (2) Effective agreements to identify potential organ donors with a substantial majority of hospitals in the UWHC OPO service area that have facilities for organ donation.
- (3) Systematic efforts, including professional education, to acquire all useable organs from potential donors.
- (4) Arrangements for the acquisition and preservation of donated organs and provision of quality standards for the acquisition of organs that are consistent with the standards adopted by the OPTN, including arranging for testing with respect to preventing the acquisition of organs that are infected with the etiologic agent for acquired immunodeficiency syndrome (AIDS).
- (5) Appropriate tissue typing of organs.
- (6) A system for allocation of organs among transplant patients that is consistent with the rules and requirements of the OPTN, as defined in § 486.320 of this part.
- (7) Transportation of organs to transplant hospitals.
- (8) Coordination of activities with transplant hospitals in the OPO's service area.
- (9) Participation in the OPTN.
- (10) Arrangements to cooperate with tissue banks for the retrieval, processing, preservation, storage, and distribution of tissues as may be appropriate to assure that all useable tissues are obtained from potential donors.
- (11) Annual evaluation of the effectiveness of the OPO in acquiring organs.
- (12) Assistance to hospitals in establishing and implementing protocols for making routine inquiries about organ donations by potential donors.

Section 5.2 Adoption of Policies. Policies recommended by the Advisory Committee shall not take effect until approved by the President & CEO, who may modify them before such approval.

Section 5.3 Limit on Authority of Advisory Board. The advisory board has no authority over any other activity of the UWHC OPO beyond the recommending power specified in section 5.1.

ARTICLE VI

CONFLICT OF INTEREST

Prior to taking any action in an official capacity on any matter involving a potential conflict of interest or an actual conflict of interest, any Director shall state the nature of the potential or actual conflict of interest. Any Director having an actual conflict of interest in a transaction with the Authority shall in addition (i) refrain from participating as a public official in any discussion or debate on the issue out of which the conflict arises and (ii), unless the Director's vote is necessary for Board action on the issue and is otherwise not prohibited by law, refrain from voting on the issue. An actual conflict of interest shall be any situation which would violate section 19.46, Wisconsin Statutes. All Directors shall comply with the applicable requirements of the state code of ethics for public officials in sections 19.41-19.58, Wisconsin Statutes.

ARTICLE VII

CONFIDENTIALITY

Subject to the requirements of applicable law, the members of the Advisory Board shall take such steps as are necessary to preserve the confidentiality of (1) sensitive business records and financial and commercial information concerning or belonging to the Authority which are of a nature not customarily provided to business competitors, (2) confidential patient or personnel information, (3) confidential information concerning potential or pending claims, and (4) other confidential information to which they may have access in the course of their duties for the Authority.

ARTICLE VIII

AMENDMENTS

Section 8.1 Amendments. Amendments to the bylaws may be brought forth to the Advisory Board by any board member. Advisory Board members must have 30 days to review amendments and respond within that time frame with comments or changes. Upon expiration of the 30 day review/comment period, amendments will be voted upon either at a meeting of the advisory board with a quorum or through the mail. When approved by a majority vote of the Advisory Board, proposed amendments shall be submitted to the UWHC Board of Directors and shall take effect upon approval of the UWHC Board of Directors.

Section 8.2 Amendments. The UWHC Board of Directors may propose amendments to these bylaws by a majority vote of a quorum. The proposed amendments shall be submitted to the Advisory Board for comment. The Advisory Board shall have 30 days in which to submit comments to the UWHC Board of Directors. The UWHC Board of Directors shall consider any timely submitted comments and then may adopt all or part of the proposed amendments.

**RESOLUTION OF BOARD OF DIRECTORS OF THE UNIVERSITY OF
WISCONSIN HOSPITALS AND CLINICS AUTHORITY**

**APPROVAL OF AN INCREASE IN THE CAPITAL PROJECT FOR
IMPLEMENTATION OF THE HEALTHLINK ELECTRONIC MEDICAL RECORDS
SYSTEM**

Approved November 4, 2009

WHEREAS, the Board of the University of Wisconsin Hospitals and Clinics Authority (“UWHCA”) approved a budget of \$48.2M in 2006 to implement the HealthLink Electronic Medical Records system;

WHEREAS, the costs for the implementation of the HealthLink Electronic Medical Records system is expected to exceed the approved amount by approximately \$4M due to unanticipated costs in implementing the Electronic Medical Records system;

WHEREAS, UWHCA Management has concluded that the amount by which actual costs are exceeding budgeted costs is reasonable under the circumstances of a major investment of information technology and custom builds for an electronic medical records system and that incurring the additional cost is necessary to achieve the efficiencies and quality improvement associated with an updated electronic medical records system that is integrated with the electronic medical records of the University of Wisconsin Medical Foundation;

WHEREAS, the Finance Committee of the UWHCA Board, after reviewing the implementation progress and costs incurred to date, has concluded that the expenditure of an additional \$4M is reasonable to achieve the business and medical purposes of UWHCA in implementing an Electronic Medical Records system;

WHEREAS, the Board agrees with the recommendations of Management and the Finance Committee that an expenditure of an additional \$4M is prudent and reasonable to complete the installation and implementation of the HealthLink Medical Records system;

NOW THEREFORE BE IT RESOLVED THAT,

The Board of the University of Wisconsin Hospitals and Clinics Authority approves the recommendation of the UWHCA Finance Committee to increase the authorization of capital investment to implement the HealthLink Medical Records system by \$4M, from \$48.2M to a total of \$52.2M.