



UWMF Board of Directors

March 25, 2020, 4:00 – 6:00 PM

<https://uwhealth.webex.com/uwhealth/onstage/g.php>

MTID=eb817b89c53b0c549d8e050d50660e58c

Meeting Number: 628 147 918 // Password: uwmfboard

Tele-Conference: 1-415-655-0003 / Access Code: 628 147 918

UWMF Board of Directors - March 25, 2020 - PUBLIC MEETING NOTICE

Agenda

4:00 PM	<hr/> I. Call to Order Dr. Alan Kaplan	
4:00 PM	<hr/> II. Welcome New Members - Mr. George Kamperschroer and Dr. Petros Anagnostopoulos Dr. Alan Kaplan	
	Attachment - George Kamperschroer Biography	Page 4
	Attachment - Dr. Petros Anagnostopoulos Biography	Page 6
4:05 PM	<hr/> III. Consent Agenda Dr. Alan Kaplan	Approval
	Attachment - Open Session Minutes from December 18, 2019	Page 8
	Attachment - UWMF Committee Membership Changes	Page 12
4:10 PM	<hr/> IV. UWMF Compensation Development Committee Annual Report Dr. Stephen Nakada	Approval
	Presentation - UWMF Compensation Development Committee Annual Report	Page 14
4:25 PM	<hr/> V. UW Health Business Integrity Mr. Troy Lepien	Report/Discussion
	Presentation - Annual Compliance Education	Page 24
4:40 PM	<hr/> VI. Closed Session (Materials Available To Members Only) Motion to enter into closed session pursuant to Wisconsin Statutes section 19.85(1)(e), for the discussion of the following confidential strategic matters, which for competitive reasons require a closed session: review and approval of closed session minutes, discussion of Generations Fertility Care, Inc. amended and restated physician services agreement and discussion of Chartwell-Midwest Wisconsin, LLC proposed transaction; discussion of UW Health Audit Committee and Compliance Committee update; UW Health Workforce Planning report update; COVID-19 update and discuss UWMF President Role.	
5:55 PM	<hr/> VII. Return to Open Session	
5:55 PM	<hr/> VIII. ACTION: Generations Fertility Care, Inc. Dr. Alan Kaplan Motion to approve Generations Fertility Care, Inc. Amended and Restated Physician Services Agreement as discussed in closed session.	Approval
5:57 PM	<hr/> IX. ACTION: Chartwell-Midwest Wisconsin, LLC Transaction and Capital Contribution Dr. Alan Kaplan Motion to approve Chartwell-Midwest Wisconsin, LLC Transaction and	Approval

6:00 PM

X. Adjourn

Attachment

George Kamperschroer Biography

George R. Kamperschroer is a lifelong Madison resident, and received both his BA in Political Science and his Law Degree from UW - Madison. George is also a CPA.

George served ten years on the Board of Directors of UnityPoint - Meriter and its affiliates, including a term as Board Chair when the Affiliation Agreement between UW Health, UnityPoint, and Meriter was negotiated. George's ten year term ended on June 30, 2019. In addition, he was appointed by the Meriter Board to be its liaison with UW Hospital, and served two years in that role until his term on the Meriter board ended.

George recently retired from his leadership position with the business law firm of Neider & Boucher, SC, where he practiced in the area of business formation and business transactions. He joined the firm as a partner in 2002, serving as Managing Partner during his entire tenure. George is currently Of Counsel with the firm.

George started his legal career with the Boardman Law Firm, and spent 17 years there, including 13 as a partner and several years in management roles. While with the Boardman Law Firm in 1986, George established and represented Physicians Plus Medical Group (acquired by UWMF in 1998) and Physicians Plus Insurance Corporation (recently merged into Quartz).

From 1992 to 2001, George tried his hand at various business positions, including being Vice President for Corporate Development at CUNA Mutual, Vice President of Corporate Affairs at Nelson Industries in Stoughton, and CEO of Great Wolf Lodge Co. In 2002 he felt the need to return to helping small and family owned businesses navigate the difficulties of buying other businesses or selling their own business and began practicing law with Neider & Boucher.

In addition to his roles on the UnityPoint - Meriter Boards, George also was one of the two Meriter directors named to the Board of Directors of the UnityPoint - Health System when Meriter affiliated with UnityPoint in 2014. He served on the UnityPoint board for two years until he became no longer eligible upon becoming Chair of the Meriter Boards.

In addition to his service on the Meriter and UnityPoint boards, George has always been active on community boards. He served on the Madison Police and Fire Commission for nine years, including two stints as President. He served on the Board of Directors of Habitat for Humanity of Dane County, where his ten years of service included a two-year term as Chair and an additional two years as Co -Chair of the organization's recent capital campaign. George spent six years on the Board of Directors of the Greater Madison Chamber of Commerce, including four years as Secretary, as well as three years on the board of the Greater Madison Convention and Visitors Bureau.

Earlier in his career, he was active in the State Bar of Wisconsin, and both the Wisconsin and the American CPA Associations. His activity in the AICPA included several years on the Board of Examiners where he was a member of, and chaired, the subcommittee responsible for the Law Section of the CPA exam.

One of the highlights of his early community involvement was being on the board of the directors of the Wisconsin Chamber Orchestra in the mid-1980s when the orchestra started its very successful summer concert series known as the Concerts on the Square.

George lives in Madison with his wife, Julie.

Attachment

Dr. Petros Anagnostopoulos Biography

BIOGRAPHY
PETROS V. ANAGNOSTOPOULOS, M.D.

Dr. Petros V. Anagnostopoulos is certified by the American Board of Thoracic Surgery and the American Board of Surgery. He completed two fellowships, one in cardiothoracic surgery at the University of Pittsburgh School of Medicine and a second in Pediatric Cardiac surgery at the University of California, San Francisco School of Medicine. He completed his general surgery residency at Henry Ford Hospital in Detroit. Dr. Anagnostopoulos received his MD from the University of Athens Medical School, Greece. He is currently a Professor of Surgery in the Department of Surgery at University of Wisconsin School of Medicine and Public Health and is also Surgeon in Chief for the American Family Children's Hospital.

Attachment

Open Session Minutes
UWMF Board of Directors Meeting

December 18, 2019

University of Wisconsin Medical Foundation

Board of Directors Meeting

December 18, 2019

Present: Drs. N. Jarjour, S. Kamnetz, A. Kaplan, S. Nakada, J. Ralphe, L. Rice, D. Rusy (arrived 4:09 p.m.), T. Young; Messes. D. Archer, P. Brady, K. Doty; Mr. R. Anderson
Absent: Drs. E. Trowbridge, T. Zdeblick; Ms. J. Alexander
Mgmt: Messes. R. Bindl, T. Hottenroth
Guests: Dr. V. Rao; Messrs. A. Dix, G. Kamperschroer; Ms. K. Miller

Chair Dr. Alan Kaplan called the UWMF Board of Directors meeting to order at 4:30 p.m.

Consent Agenda. Dr. Kaplan requested a motion to approve the Consent Agenda to include: Open Session Meeting Minutes from the meeting held on September 18, 2019; UWMF Board of Directors (Faculty/Public Director) – UWHCA Executive Committee Membership; Generations Fertility Care, Inc. Re-Appointment of President and Director; UWMF Department Compensation Plans; UWMF Board, Committee and Council Membership; UWMF Corporate Officers; and, Regional Division Board, Inc. Membership. Upon a motion duly made by Dr. Stephen Nakada, seconded by Dr. Sandra Kamnetz and unanimously carried, the Consent Agenda was approved.

Consent Agenda

Recognition of Service – Ms. Patricia Brady. Dr. Kaplan reported that Ms. Brady’s term ends as of December 31, 2019 and noted she will be pursuing other personal interests. Dr. Kaplan reviewed Ms. Brady’s service on the UWMF Board of Directors, in addition to serving on several UWMF committees and as UWMF Board Public Member Liaison on UWHC Authority Executive Committee. Dr. Kaplan thanked Ms. Brady for her many years of service and presented her with the ‘Recognition of Service’ plaque.

Recognition of Service – Ms. Patricia Brady

Recognition of Service – Dr. Deborah Rusy. Dr. Kaplan reported that Dr. Rusy’s term ends as of December 31, 2019. Dr. Kaplan reviewed Dr. Rusy’s service on the UWMF Board of Directors, in addition to serving on several UWMF committees and other committees, workgroups, and councils within UW Health. Dr. Kaplan thanked Dr. Rusy for her many years of service on the UWMF Board of Directors and presented her with the ‘Recognition of Service’ plaque.

Recognition of Service – Dr. Deborah Rusy

UWMF Retirement Plan Committee.

UWMF Retirement Plan Committee

UWMF Retirement Plan Committee Annual Report

Dr. Venkat Rao, Chair, UWMF Retirement Plan Committee (RPC), provided an overview of the UWMF Retirement Plan. Dr. Rao shared the UWMF Retirement Plan is comprised of two plans – a physician and non-physician plan. The RPC provides oversight and review of fund performance. The RPC assigned Fidelity as the record-keeper; RVK serves as the consultant to the committee; and Dewitt Ross acts as legal counsel to the committee. Dr. Rao reported it is a defined contribution plan with about 6,268 participants and \$1.436B in assets (\$1.4B in assets in 2018). Dr. Rao highlighted some of the benefits and options of the physician and non-physician plans (i.e., 2019 contribution limits, low cost fund options, target date funds, index funds, self-directed brokerage option, etc.).

UWMF Retirement Plan (Employee and Physician) Audit Report

Dr. Rao stated that CliftonLarsonAllen (CLA) was retained to conduct the annual audit (year ending December 31, 2018) of the UWMF Employees 401k Profit Sharing Plan and the UWMF Physicians Retirement Plan. CLA did not have any findings, nor issues with either plan. There were also no issues with the annual discrimination testing. Dr. Rao noted in 2020, UWMF has retained a new auditor, RSM US LLP.

Dr. Rao noted that a Request for Proposal (RFP) will be sent in 2020 for UWMF's retirement plan recordkeeping services, contract to start in 2021. Fidelity has been the recordkeeper for the past seven years and will be asked to submit an RFP, in addition to other firms. RVK will be assisting UWMF with the RFP process.

He also shared that in 2020 (and beyond), the UWMF RPC will focus on faculty retirement education with the goal to increase contributions, inform and educate faculty on plans that are available, sending written and oral communication, present at faculty meetings, etc. There will also be an increase of two non-physician representatives on RPC.

Mr. Anthony Dix shared that an error occurred where all benefits were not paid out to participants. The discovery of the error occurred during the preparation of the 2018 annual 5500 report by Fidelity. The Physicians Retirement Plan corrected the error and distributed the funds in August 2019. Fidelity covered the IRS fees for the Voluntary Correction Program application and the legal fees. Outside legal counsel has confirmed that this has been resolved and no additional follow-up is needed.

He also shared that on November 15, 2019, 58 new faculty did not receive their retirement contributions into their accounts. UWMF was made aware of this and on November 18, 2019 worked to correct the error. Audits have been set in place to ensure that this does not happen in the future.

The Board, Dr. Rao and Mr. Dix engaged in discussion regarding these matters.

Dr. Kaplan requested a motion to approve the UWMF Retirement Plan Committee Annual Report and UWMF Retirement Plan (Employee and Physician) Audit Report as presented. Upon a motion duly made by Ms. Brady, seconded by Dr. J. Carter Ralphe and unanimously carried, the motion was approved.

Dr. Rao and Mr. Dix were excused from the meeting at 4:30 p.m.

Year-End FY19 Audit Report. Ms. Kelsie Doty provided a high-level review of the year-end FY19 audit report. She noted that the report was approved at the UW Health Audit Committee meeting on November 7, 2019. Ms. Doty reported that FY19 was a strong financial year for UW Health. She reviewed the operating margin for FY19.

*Year-End FY19
Audit Report*

UW Health Consolidated Financials – YTD October 31, 2019. Ms. Doty reviewed the YTD October 31, 2019 financials including operating income, operating margin, and variance to budget and income. Ms. Doty then reviewed October 2019 non-operating revenue and expenses.

*UW Health
Consolidated
Financials – YTD
October 31, 2019*

The Board and Ms. Doty engaged in discussion regarding this matter.

Closed Session. There being no other matters for the open session, Dr. Kaplan proposed to take the meeting into closed session pursuant to Wisconsin Statutes section 19.85(1)(e), for the discussion of the following confidential matters, which for competitive reasons require a closed session: review and approval of closed session and members only closed session meeting minutes, Madison Surgery Center, Inc. and Transformations Surgery Center, Inc. Anesthesiology Services Agreements; and discussion of strategic matters including but not limited to strategic partnerships including Project Advantage; funds flow transition and physician compensation plan guidelines.

Closed Session

Upon a motion duly made by Dr. Deborah Rusy, seconded by Dr. Terri Young and unanimously carried, the Board approved the motion to enter closed session.

ACTION: Madison Surgery Center, Inc. and Transformations Surgery Center, Inc. Anesthesiology Service Agreements. After returning from Closed Session, upon a motion duly made by Dr. Stephen Nakada, seconded by Dr. Young and unanimously carried, the Madison Surgery Center, Inc. and Transformations Surgery Center, Inc. Anesthesiology Service Agreements were ratified.

ACTION: Madison Surgery Center, Inc. and Transformations Surgery Center, Inc. Anesthesiology Service Agreements

Adjourn. Having no other business to address, the meeting was adjourned at 5:22 PM.

Adjourn

Next Meeting. The next meeting of the UWMF Board of Directors will be held:

Next Meeting

Wednesday, March 25, 2020, 4:00 – 6:00 PM, Room H6/215

Attachment

UWMF Committee Membership Changes

To: UWMF Executive / Governance Committee

From: Nizar Jarjour, MD
SVP/UWMF President

Kelsie Doty
VP/Practice Plan & UWMF CAO

Re: UWMF Committee Membership Changes

Date: March 11, 2020

UWMF Executive / Governance Committee

Dr. Stephen Nakada	01/01/20 – 12/31/21	UWMF Board Chair Director Rep	Additional 2 Year Term
Dr. Terri Young	01/01/20 – 12/31/21	UWMF Board Chair Director Rep	Additional 2 Year Term

UWMF Finance Committee

Mr. George Kamperschroer	01/01/20 - 12/31/20 (To complete Ms. Jennifer Alexanders’s term ending 12/31/20)	UWMF Board Rep	New 1 Year Term
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UWMF Retirement Plan Committee

Dr. Petros Anagnostopoulos	01/01/20 – 12/31/22	UWMF Board Rep	New 3 Year Term
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UW Health Council of Chairs

Dr. William Schwab	Effective 01/06/20	Interim Chair Department of Family Medicine and Community Health	Ex-Officio
Dr. Lynn M. Schnapp	Effective 03/01/20	Chair Department of Medicine	Ex-Officio

UW Health Council of Faculty

Dr. John Frohna	01/01/20 – 12/31/21	Committee Chair	Additional 2 Year Term
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UW Health Patient Safety and Quality Committee

Dr. Sandy Kamnetz	01/01/20 - 12/31/20 (Term to coincide with UWMF Board Term)	UWMF Board Faculty Rep	New 1 Year Term
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UWMF Compensation Development Committee Annual Report

Stephen Y. Nakada, MD – Committee Chair
March 25, 2020

Attendance

- Attendance for bi-monthly meetings:
 - 2017 – 6 meetings with 78% average attendance
 - 2018 – 6 meetings with 87% average attendance
 - 2019 – 6 meetings with 84% average attendance
- For 2020, full committee will be meeting monthly

Membership

- Committee members:
 - 2019 - 3 new committee members
 - 2020 – of the 4 terminating positions, 3 were renewed and 1 new member added
- Department Administrator committee members
 - 2019 – 1 new member
 - 2020 – no change
- A new Vice-Chair was implemented; Dr. Cristopher Meyer

Committee Activity

- Departmental plans reviewed and approved:
 - Emergency Medicine
 - Ophthalmology
 - Surgery (new compensation plan)
 - Urology

* CRC review and approval completed electronically in December 2019 via Board Effect

Committee Activity (cont.)

- Grievances
 - Two separate grievance cases were reviewed and decisions communicated
- Physician Administrative Roles (PAR) Workgroup
 - Develop consistent approach and process for requesting and creating UW Health system and department administrative roles and for determining compensation
 - Led by PAR Steering Team
 - Proposed implementation – June, 2021

Committee Activity (cont.)

- Compensation Plan Guidelines (CPG) Workgroups
 - Develop standard and strategic guidelines for the clinical departments to incorporate into departmental faculty physician compensation plans
 - Five workgroups created; now meeting monthly
 - Steering Team
 - Academic Workgroup
 - Administrative Workgroup
 - Clinical Workgroup
 - Strategic Workgroup
 - CPG Workplan communicated to all faculty via clinical department meetings
 - Proposed implementation July, 2021

Committee Activity (cont.)

- Special topics/guest speakers:
 - UWMF Bylaws/Voting Requirements – Ms. Terry Hottenroth
 - Physician Compensation Regulatory Guidelines – Ms. Mary Link and Ms. Kerry Moskol
 - Physician Compensation Plan Amendment Requirements – Ms. Terry Hottenroth and Ms. Kerry Moskol
 - Department of Surgery Compensation Plan Development Process
 - Dr. Rebecca Minter and Ms. Nicole Jennings

CDC – RVU Workgroup Report

- There were no emergent issues that required RVU Workgroup input, so in light of limited resources due to other strategic initiatives, there were no formal meetings in 2019
- There were two requests for specific RVU review that were handled electronically by the co-chairs: Dr. Mike Bentz and Kelsie Doty

2020 Proposed Work Plan

- Compensation Plan Guideline Workgroups education, guidance and leadership
- Initiate and support new Provider Benchmark Workgroup
- Begin work on new compensation review process

Questions

Annual Compliance Education

UWMF Board of Directors

March 25, 2020

Board of Directors

Annual Education

- **Compliance Program Documents**
 - ✓ Federal Sentencing Guidelines,
 - ✓ Office of Inspector (OIG) Compliance Elements
 - ✓ OIG HCCA Measuring Compliance Program Effectiveness
 - ✓ Caremark Case
 - ✓ Corporate Responsibility and Corporate Compliance-A Resource for Health Care Boards of Directors
 - ✓ Practical Guidance for Health Care Governing Boards on Compliance Oversight

Board of Directors

Annual Education

➤ Federal Government's Agenda

- ✓ **Fraud** is the intentional deception or misrepresentation that an individual makes knowing it to be false and knowing that deception could result in some unauthorized benefit
- ✓ **Waste** is overutilization of services or other practices that, directly or indirectly, result in unnecessary costs to the health care system
- ✓ **Abuse** is a pattern of billing or activities which are inconsistent with accepted sound medical, business or fiscal practices

False claims actions and other fraud-oriented activities are tied to knowledge and intent

Board of Directors

Annual Education

Seven Elements of an Effective Compliance Program

- Standards, Policies, and Procedures
 - ✓ Compliance Plan, Code of Conduct, and Conflict of Interest
- Compliance Program Administration
 - ✓ Work Plan, End of the Year Report & Compliance Program Structure/Resources
- Screening & Evaluation
 - ✓ Exclusion Screening Directors & Staff
- Communication, Education, & Training
 - ✓ Training for Staff and Board Members – Onboarding & Ongoing

Board of Directors

Annual Education

- Monitoring, Auditing, and Internal Reporting Systems
 - ✓ Reporting of Compliance Issues to Leadership and Governance
- Discipline for Non-Compliance
 - ✓ Review of Consistent Disciplinary Action for Compliance Issues
- Investigation and Remedial Measures
 - ✓ Investigation Elevation of Issues to Governance & Leadership

Board of Directors

Annual Education

- Duties of the Board of Directors
 - ✓ Fiduciary Responsibility
 - ✓ Transparency of Actions

Board of Directors

Annual Education

- Fiduciary Responsibility: People or entities are given a power of any type, subject to a duty to exercise that power in the best interests of another
 - ✓ Duty of Care
 - ✓ Duty of Loyalty

Board of Directors

Annual Education

- **Duty of Care:** Obligation of Corporate Directors to Exercise the Proper Amount of Care in Their Decision-Making Process in the Best Interest of UWMF
 - ✓ **Decision Making Function:** The application of duty of care principles to a specific decision or a particular board action; and
 - ✓ **The Oversight Function:** The application of duty of care principles with respect to the general activity of the board in overseeing the day-to-day business operations of the corporation i.e. the exercise of reasonable care to assure that corporate executives carry out their management responsibilities and comply with the law

Board of Directors

Annual Education

- Oversight Function (i.e., Caremark Case, Delaware Court Cases)
 - ✓ A Board must act in good faith in the exercise of its oversight responsibility for its organization, including making inquiries to ensure:
 - (1) a corporate information and reporting system exists and
 - (2) the reporting system is adequate to assure the Board that appropriate information relating to compliance with applicable laws will come to its attention timely and as a matter of course
 - ✓ Opinion in Caremark case established a Board's duty to oversee a compliance program, Delaware cases confirmed

Board of Directors

Annual Education

- Oversight Function Delaware Court Cases)
 - ✓ The Court said that in order to “satisfy their duty of loyalty,” “**directors must make a good faith effort to implement an oversight system and then monitor it**” themselves, because the existence of management-level compliance programs alone is not enough for the directors to avoid Caremark exposure.
- Lessons Learned
 - ✓ Dedicate a committee to organizations main compliance risks;
 - ✓ Establish protocols requiring management to keep it apprised of compliance practices, risks, and reports;
 - ✓ Set a schedule to assess main compliance risks on a regular basis;
 - ✓ Formulate procedures for the communication of *red or yellow flags* to the board and memorializing the associated discussions in board minutes; and,
 - ✓ Arrange for and document regular discussions of compliance risks at board meetings.

Board of Directors

Annual Education

- Duty of Loyalty: A UWMF Director must discharge his or her obligation to the organization in a manner designed to benefit UWMF and its mission, and not the interest of the Director or any other individual or entity.
 - ✓ Avoid Conflicts of Interest
 - As required by UW Health Administrative Policy 1.66 Conflicts of interest and the UW Health Code of Conduct Members should avoid Conflicts of Interest.
 - UWMF's Board of Directors has members with duality of interests (i.e., to the UW, SMPH, and/ or other constituencies)
 - The key reason for establishing such interlocking directorships is to create a mechanism for the entities to participate in, and be informed of, the decisions of each other
 - ✓ Report any potential Conflicts of Interest to Chair for review including sole source contracts
 - ✓ Maintain confidentiality of information provided
 - ✓ Completion of the COI Forms and distribution of Code of Conduct

Board of Directors

Annual Education

- UW Health Administrative Policy 1.66 Conflict of Interest
 - ✓ Required to (a) disclose any actual or potential conflicts of interest, and (b) refrain from participating in decision-making in any matter in which they have a conflict of interest
 - ✓ Disclosure shall be made in writing to the chair of the body tasked with making the decision in question
 - ✓ Annual Reporting

Board of Directors

Annual Education

- UWMF Via Contractual Obligation Is Subject to Open Records Request
 - ✓ All meetings of the UWMF Board of Directors are divided into open and closed sessions:
 - UWMF presumes matters will be discussed in open session unless it has a specific reason (e.g., confidentiality) to discuss them in closed, and it generally would take the position that closed meeting minutes are confidential, and not subject to open meetings requirements
 - Communications to and among UWMF Directors and relating to UWMF business may be subject to disclosure upon request

Board of Directors

Annual Education

- Questions for Directors – Compliance Program Elements
 - ✓ Structural Questions
 - Key Employees – Compliance Officer
 - Reporting Structure to Governance – Compliance & Audit Committees
 - Frequency of Compliance Reporting Management and Governance
 - ✓ Operational Questions
 - Policies and Procedures Including Code of Conduct
 - Compliance Infrastructure and Resources
 - Measures to Prevent Violation Including Education & Auditing and Monitoring
 - Measures to Respond to Violations Including Corrective Action and Hotline Activity

Board of Directors Annual Education

Questions?