

UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY
Minutes of Board of Directors Meeting
April 7, 2010

PRESENT: David Walsh (Chair), Michael Weiden (Vice Chair), Roger Axtell, Tom Basting, Richard Choudoir, Judith Crain, Sen. Jon Erpenbach, Dean Robert Golden, Pablo Sanchez, Michael Spector (on telephone), Dr. Humberto Vidaillet, and Dr. George Wilding

EXCUSED: Carol Booth, Chancellor Carolyn Martin, Rep. Cory Mason, Dean Katharyn May, Dian Palmer, and Dan Schooff

LIAISONS: Donna Katen-Bahensky and Dr. Michael Bentz

STAFF: Kristi Amelong, Mike Buhl, Jan Bultema, Mike Dallman, Jim Dechene, Dr. Carl Getto, Mark Hamilton, Scott Houtakker, Dr. Mark Kirschbaum, Lisa Maroney, Dr. Maureen McCausland, Robert Miller, Mary O'Connell, Jeff Poltawsky, Renee Rizzo, Mike Sauk, Kari Schrage, Ron Sliwinski, Dan Weissburg, Terry Wilkerson, and Kelly Wilson

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 1:05 p.m. A quorum was present.

2. Approval of Minutes of February 3, 2010, Authority Board Meetings

Mr. Axtell moved approval of the minutes of the February 3, 2010 meeting. Mr. Weiden 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. Mr. Axtell seconded the motion and it passed unanimously.

4. Board Committee Report

Dr. Vidaillet reported on the Performance Improvement Risk Management and Safety (PIRMS) Committee meeting. The Committee is reviewing safety metrics. Michael Buhl, Senior Vice President and Chief Financial Officer, reported on the meeting of the Finance Committee.

5. CFO Report

Mr. Buhl reported on the summary of operating results for February 2009 and the first eight months of FY2010. UWHC is maintaining a positive margin due to steady activity and operating expenses being held below plan. Adult and pediatric inpatient activity is favorable to plan for the month. Pediatric clinic visits were above plan for the month and adult clinic visits 3.1% below budget. Surgical procedures are 3.0% above plan for the first eight months of the fiscal year, with strong performance at AFCH. Transplants, emergency department visits and cardiovascular procedures for February were all slightly below plan, with radiological procedures above plan.

Net gain from operations for February was \$2.8 million. Net income including non-operating income was \$3.4 million. Year-to-date through February net gain from operations was \$31.9 million and net income including non-operating income was \$38.5 million.

6. Approval of Board members for Wisconsin Therapies, Inc.

Mr. Buhl presented a proposed resolution approving the board members for Wisconsin Therapies, Inc. [Exhibit 1]. Mr. Basting moved approval. Mr. Weiden seconded the motion and it passed unanimously.

7. Approval of Price Change

Mr. Buhl explained that the transition to HealthLink in October 2009 provided the opportunity to implement revised and improved patient charge structures. These changes will advance standardization, improve overall accuracy and improve alignment with professional charges. The more accurate billing practices modification will result in an increase of gross revenue of .4%. Wisconsin law requires Board approval and public reporting of rate increases that exceed the Consumer Price Index, which is now at .1%. After discussion, Dean Golden moved approval of the .4% price increase. Dr. Vidaillet seconded the motion and it passed unanimously.

8. Approval of Watertown Regional Medical Center Pediatric Funding

Mr. Buhl described the proposal for UWHC to contribute to the funding of a pediatric program at Watertown Regional Medical Center under the American Family Children's Hospital name. The proposal was for UWHC to share startup and ongoing gains and losses with Watertown on a 50/50 basis. The Finance Committee recommended approval. Mr. Axtell moved approval of the proposal. Dean Golden seconded the motion and it passed unanimously.

9. CEO Report

Care Everywhere. Donna Katen-Bahensky, President and CEO, reported the launch of Care Everywhere. This Epic-based system allows for the transfer of specific electronic health record information to the emergency departments and urgent care centers of UWHC, UW Medical Foundation, Group Health Cooperative, St. Mary's Hospital, Dean Clinic and Meriter Hospital. One hundred twenty-two records were transferred in the first 30 hours.

Wisconsin Donor Registry. The Wisconsin Department of Health Services has launched a new online Donor Registry, at YesIWillWisconsin.com that makes it easier to authorize organ, tissue and eye donation. The Registry can help reduce the number of children and adults who are waiting for a life-saving or life-changing transplant in Wisconsin.

UW Hospital and Clinics and UW Medical Foundation will offer non-represented staff paid time-off when they donate organs and bone marrow. Policy development is underway for non-represented staff and there will be discussions with unions for creation of a similar benefit for represented staff.

Residency Match. Match Day was held across the nation on Thursday, March 18, matching graduated medical students with residency programs. One hundred five of the 107 first year residency positions in the UWHC Graduate Medical Education program were matched on Match Day; all 107 are now filled. At the UW School of Medicine and Public Health, 140 fourth-year medical students learned their match. Thirty-six percent of these graduates will serve in primary care, many through the Department of Family Medicine. Eighteen graduates will be in programs at UWHC or another UW Health facility.

Philanthropic Events. There were several recent philanthropic events benefiting the American Family Children's Hospital including the Friends of UWHC Gala, the Fire & Ice Ball, Wisconsin Dance Marathon, Go Fish and the Art Zoobilee.

Appointments. UW Health leadership have been appointed or elected to a variety of boards and committees including:

- Mike Sauk appointed to CIO Executive Steering Committee of the University HealthSystem Consortium
- Jan Bultema elected Chair of the Health Care Workforce Alliance
- Mark Kirschbaum named co-chair of the Legal and Policy Committee of the WIRED for Health Board (Wisconsin Relay of Electronic Data for Health)
- Jeff Grossman, MD, serves on WIRED for Health Board

Recognitions. Recent recognitions for UW Health and UW Health staff include:

- American Diabetes Association Education Recognition to Diabetes Self-Management Program
- American Heart Association Fit Friendly Gold Designation

- YWCA Women of Distinction Award to Carola Gaines (a UWMF employee who works at Unity)

10. Approval of Revised Signature Authority Resolution

Jim Dechene, Senior Vice President and General Counsel, presented the proposed resolution concerning signature authority. He read to the Board two corrections to the distributed proposed resolution that had been recommended by Mr. Spector during the Executive Committee review of the proposal. With Mr. Spector's corrections, the Executive Committee and Finance Committee recommended approval of the resolution. Dr. Vidaillet moved approval of the resolution with Mr. Spector's changes. Mr. Weiden seconded the motion and it passed unanimously. The approved resolution is attached as Exhibit 2.

11. Approval of Revision of Code of Conduct.

Dan Weissburg, Compliance Officer, presented two minor changes to the Code of Conduct, including a supplemental change that was distributed at the meeting. Mr. Axtell moved approval. Mr. Weiden seconded the motion and it passed unanimously. The final Code of Conduct is attached as Exhibit 3.

12. 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 and strategic planning matters and approval of investments 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.; 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. Mr. Basting 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), Roger Axtell, Tom Basting, Judith Crain, Dean Robert Golden, Pablo Sanchez, Dr. Humberto Vidaillet, and Dr. George Wilding. Sen. Erpenbach was not present and Mr. Spector was not on the telephone when the vote was taken. Mr. Choudoir is a non-voting member.

No action was taken in the closed session.

The meeting adjourned.

Respectfully Submitted,

James C. Dechene, Secretary

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

Approved April 7, 2010

The Board of Directors of the University of Wisconsin Hospitals and Clinics Authority approves the following persons as Directors of Wisconsin Therapies, Inc.:

Michael Buhl, UWHC SVP/Chief Financial Officer
Maureen McCausland, UWHC SVP/Chief Nursing Officer & Patient Care Services
James C. Dechene, UWHC SVP/General Counsel
Kelly Wilson, UWHC VP/Deputy General Counsel

RESOLUTION OF THE BOARD OF DIRECTORS OF THE UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY REGARDING SIGNATURE AUTHORITY

Approved April 7, 2010

WHEREAS, sec. 233.03(2), Wis. Stat., grants the University of Wisconsin Hospitals and Clinics Authority (UWHCA) the power to make and execute instruments necessary or convenient to the exercise of the powers of UWHCA;

WHEREAS, Section 5.2 of the UWHCA bylaws states among other things that, “the CEO shall organize the functions of the Authority through appropriate departmentalization and delegation, establishing a formal means of staff evaluation and accountability;”

WHEREAS, the CEO and the Board of Directors (“Authority Board”) have determined that a policy concerning who may execute instruments on behalf of and otherwise bind UWHCA will benefit UWHCA;

WHEREAS, the Authority Board passed a Resolution on April 9, 2003 approving an attached policy on signature authority (Resolution and policy attached), which resolution superseded or amended all prior resolutions and directives of the Authority Board concerning signature authority to the extent necessary to remove conflicts;

WHEREAS, the Authority Board passed a Resolution on February 8, 2006 in which it reserved to the Authority Board the ability to approve certain enumerated actions of UWHCA, and in which it resolved that “The Signature Authority policy previously approved by the Authority Board on April 9, 2003, is hereby reaffirmed as granting the CEO the right to delegate signature authority per its requirements” (see February 8, 2006 Resolution (attached) at Par. 7);

WHEREAS, the Signature Authority Policy approved by the Authority Board by resolution of April 9, 2003 and reaffirmed by Resolution of February 8, 2006, has proved cumbersome and confusing in operational implementation, resulting in the separation of two parts of that policy into separate policies managed by two distinct operational departments, Purchasing and Patient Accounts, respectively, governing: (A) procuring goods and services through internal requisitions and Purchase Orders (see attached Policy 11.12, Purchase of Goods, Services, Equipment, and Approval of Invoices); (B) approving settlements and write-offs of patient accounts (see attached Policy 2.31, Limits for Patient Account Settlements, Discretionary and non-Discretionary Write-Offs/ Adjustments of Patient Refunds);

WHEREAS, the remaining section of the Signature Authority Policy approved by the Authority Board has been re-worked to provide more clarity, accountability, and operational efficiency regarding binding the Hospital in contractual arrangements with third parties, including legal settlements (see attached Policy 4.01 as previously approved and new draft Policy 4.01 on Contract Approval and Signature);

WHEREAS, day-to-day operations of the Authority require that the CEO have flexibility in designating signature authority not otherwise reserved to the Authority Board and to change the

signature authority policy from time-to-time so as to best operate the business of the Authority in an efficient and financially accountable manner; and

WHEREAS, the Finance Committee of this Board has recommended adoption of this resolution;

NOW THEREFORE BE IT RESOLVED, that:

1. All prior resolutions of the Authority Board concerning signature authority are hereby superceded or amended to the extent necessary to remove conflicts, including without limitation that the resolution adopted on Feb. 8, 2006 concerning delegation of authority to the CEO is amended by deleting sections 7 and 9 and re-affirming, clarifying, and expanding sections 2-6 and 8, as detailed below.
2. The February 8, 2006 Resolution is hereby affirmed, clarified and expanded to reserve for the Authority Board the following:
 - a. All real estate purchases having a contractual liability in excess of \$5 million must be approved by the Authority Board.
 - b. Other real estate purchases outside of the approved budget must be approved by the Finance Committee of the Authority Board.
 - c. Investments by UWHCA through the University of Wisconsin Foundation or otherwise will be in accordance with any investment policy approved by the Finance Committee of the Authority Board.
 - d. Other investments in any corporation or joint venture in excess of \$500,000 that are not listed in the annually approved capital budget or paid for from approved and budgeted contingency monies must be approved by the Authority Board.
 - e. Other capital expenditures in excess of \$500,000, or \$2,000,000 in the aggregate, that are not listed in the annually approved capital budget or paid for from approved and budgeted contingency monies must be approved by the Authority Board.
 - f. The Authority Board shall approve the creation of any subsidiary corporations.
3. The CEO is delegated the authority to sign any document on behalf of UWHCA, except when another approval or signature is required by law or a by resolution of the Authority Board.
4. The CEO may delegate his/her signature authority to other executives and employees of UWHCA by written directive or policy, such as Policies 2.31, 4.10, and 11.12 above, which directives or policies may be changed from time to time with the approval of the CEO. Such written directives or policies shall take effect upon being filed in the office of the Secretary of the Board. The CEO shall promptly inform the Board of material changes in the signature authority policy.

**University of Wisconsin Hospital and Clinics
Code of Conduct**

(Approved by the UWHCA Board of Directors - April 7, 2010)

Application of UW Hospital and Clinic's Compliance Program

Our Compliance Program applies to all activities performed by UW Hospital and Clinics "Staff Members" including medical staff, GME trainees, students, vendors, contractors, employees (including full time, part time, per diem, and temporary employees), agency and traveler staff, volunteers and other staff of UWHC. All Staff Members are obligated to incorporate the Code of Conduct into their daily performance.

Our Commitments

We co-operate with and support our Code of Conduct by committing the necessary resources to ensure compliance:

- We educate ourselves so we know the laws and policies that apply to our operations.
- We report suspected wrongdoing and cooperate with investigations.
- We know internal corrective action will be taken if we do not follow laws and that unlawful activities must be reported.

We know everyone is responsible for making sure we observe high standards of ethical behavior.

- **Obey the Federal Health Care Program laws:** We are committed to full compliance with the laws and regulations that apply to our operations, including all Federal Health Care Program (including Medicare and Medicaid) requirements, and are committed to prepare and submit accurate claims consistent with such requirements.
- **Neither give nor receive any kickbacks or prohibited gifts or favors:** We follow UW Hospital and Clinics' policies regarding giving or receiving gifts or discounts from people who supply us with goods and services.
- **Obey antitrust laws:** We do not share price or wage information with competitors.
- **Obey laws relating to government and donor contacts:** We conduct all political activities and contacts with government officials according to law and requirements of a non-profit, tax exempt entity. This means we do not permit political fund-raising or lobbying activities by individuals acting in their official roles representing the UW Hospital and Clinics.
- **Avoid conflicts of interest:** We understand we must avoid even the appearance of a conflict of interest by disclosing pertinent facts and exercising

the best care and judgment for UW Hospital and Clinics, not for personal benefit or for the benefit of others at the expense of UW Hospital and Clinics.

- **Use assets wisely:** We understand the community has entrusted us with assets to be used and protected for our patients' health. We safeguard, invest and use these assets to achieve our mission. Proper use of UW Hospital and Clinics property and equipment is everyone's responsibility, and we will not misappropriate UW Hospital and Clinics property or proprietary information. In addition, we avoid waste and try to find ways to cut costs without cutting quality. We are committed to obeying software and copyright licenses and laws.
- **Carefully negotiate and bid contracts:** We fairly and accurately bid and negotiate outside contracts at an arm's length and at fair market value.
- **Work safely:** Everyone is responsible for following standard precautions in caring for patients and for helping others to do so. We will maintain a drug-free workplace and understand this means we may be subject to drug testing for cause. We report any environmental or safety hazards or concerns promptly and follow posted warnings and regulations.
- **Promote a positive work environment and culture of safety that supports teamwork and respect for others:** We are courteous and respectful to all. Harassment, discrimination, intimidation, and retaliation are disruptive and inappropriate, can negatively impact patient care and staff morale, and we will report it. This includes discrimination based on race, color, religion, gender, age, national origin, disability, sexual orientation, citizenship, veteran status, marital status, or arrest/conviction record. We actively support the embodiment of our expressed values and behavioral expectations in daily interactions.
- **Maintain confidentiality of sensitive patient information:** Our professions require that we gather a great deal of personal information about patients. Therefore, carefully avoid unwarranted invasion of patient privacy. The inappropriate release of sensitive patient information may be harmful to the patient and UW Hospital and Clinics. The inappropriate release of confidential patient or employee personnel information may be subject to civil and criminal prosecution as well as disciplinary action. You are expected to limit access to patient information and obtain appropriate release of information forms to the extent required by applicable laws.
- **Report Suspected Wrongful Conduct as Soon as Possible:** We report suspected wrongful conduct, including suspected violations of any Federal Health Care Program requirements or of our own policies and procedures, either by directly reporting such violations to the Director of Compliance or his/her designee or by calling the Compliance Help Line. The Compliance Help Line can be used anonymously to disclose to our Director of Compliance or some other person who is not in the disclosing individual's chain of command, any identified issues or questions associated with our policies, practices or procedures, including but not limited to those with respect to a Federal Health Care Program believed to be a potential violation of criminal, civil or administrative law. We will not tolerate any threat of or actual retribution or retaliation for making a good faith report of suspected wrongful conduct. All reports will be kept confidential, investigated if necessary, and all relevant information will be obtained from the

disclosing individual and proper follow-up conducted. The Director of Compliance, or his or her designee, shall maintain a confidential disclosure log, which shall include a record and summary of each disclosure received, the state of the respective internal reviews, a summary of findings and any corrective action taken in response to the internal reviews. Your reporting of suspected wrongful conduct in good faith as soon as you become aware of it is important.

- **Understand that UW Hospital and Clinics Takes Compliance Very Seriously:** Individuals engaging in wrongful conduct, including the failure to comply with our policies and procedures and all Federal Health Care Program requirements or failure to report such non-compliance, may be subject to counseling or sanctions which may lead to suspension, termination, or other disciplinary action. UW Hospital and Clinics and individual Staff Members who engage in improper conduct also are subject to various significant criminal and civil sanctions for non-compliance, including imprisonment, large money penalties, and exclusion from Federal Health Care Programs and all other Federal procurement and non-procurement programs.

STAFF MEMBER RESPONSIBILITIES

UW Hospital and Clinics expects all Staff Members to:

- Live the Mission, Values and Vision of UW Hospital and Clinics.
- Read and understand the Code of Conduct.
- Think compliance.
- Act responsibly.
- Obey all applicable legal and regulatory requirements as well as UW Hospital and Clinics policies and procedures.
- Participate in training.
- Respect the rights of UW Hospital and Clinics patients, families, and Staff Members.
- Maintain confidentiality.
- Report suspected violations of the law and the Code of Conduct.