

UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY

Minutes of Board of Directors Meeting

November 7, 2012

- PRESENT: David Walsh (Chair), Jeffrey Bartell, Wendy Coomer, Michael Falbo, Dean Robert Golden, Sen. Luther Olsen, Pablo Sanchez, Dr. Humberto Vidaillet, Dr. George Wilding, and Michael Weiden
- EXCUSED: Tom Basting, Richard Fetherston, Rep. Howard Marklein, Dean Katharyn May, Lisa Reardon, and Chancellor David Ward
- LIAISONS: Donna Katen-Bahensky and Dr. Nathan Rudin
- STAFF: Kristi Amelong, Julie Aulik, Mike Buhl, Jan Bultema, Jim Dechene, Jill Ellefson, Chris Green, MD, Beth Houlahan, Robert Miller, Stephen Nakada, MD, Jay Robaidek, Sue Sanford-Ring, Dan Weissburg, and Beth Zaher
- GUESTS: Terry Bolz, Ric Choudoir and Tim Stumm

1. Call to Order

Mr. Walsh, Chair, opened the meeting of the Board of Directors of the University of Wisconsin Hospitals and Clinics Authority at 1:30 p.m. A quorum was present.

2. Approval of Minutes of September 4-5, 2012 Authority Board Meeting

Mr. Falbo moved approval of the minutes of the September 4-5, 2012 meeting. Mr. Bartell seconded the motion and it passed unanimously.

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

Dr. Nathan Rudin, 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. Sen. Olsen seconded the motion and it passed unanimously.

4. Report of Organ Procurement Organization

Jill Ellefson, Director of the Organ Procurement Organization, presented its annual report. In addition to presenting the Board with the previous year's results, the Board was informed about the Forward Focus Collaborative, which is meant to create a closer working relationship for all involved in organ transplantation and the focus on best practices. In response to a question, Ms. Ellefson explained that kidneys are the most needed and transplanted organ.

5. Board Committee Reports

Mike Buhl, Chief Financial Officer, reported on the meeting of the Audit and Finance Committee meetings from earlier in the day. The Audit Committee reviewed reports on services UWHC provides to other organizations, lump sum payments to employees, procedures for closing

capital projects and a review of outstanding audit issues. At the Audit Committee there were also reports from the Compliance Department on privacy investigations, external audits by government agencies and OIG compliance. Actions of the Finance Committee were reviewed in the CFO Report.

6. CFO Report

Mike Buhl reviewed the year-end operating results which exceeded the budgetary targets. He reported these results were favorable for a number of reasons including increased volume and a better than anticipated payer mix. He also discussed the September operating results. He noted that regional transfers remained strong, although the two-month trend is going down. Once again, there were no reported diversions. He also mentioned that performance ratios remain strong.

He reported that Standard & Poor's did a recent review of operations and reaffirmed the Hospital A+ rating with a positive outlook. A more in-depth review will be done when the hospital prepares to go to the bond market early next year.

He provided board members with the external audit of the Hospital for FY 2012. Overall, it was very good. The auditors did identify some issues, one of which has potential cost savings and the other related to pension liability which will increase once possible future costs are more accurately reflected.

Net gain from operations for September was \$8.3 million. Net income for September was \$13.1 million. Net gain from operations through September was \$29.4 million. Net income was \$38.1 million.

7. ACTION: Approval of the Community Health Needs Assessment Strategic Implementation Plan

Juli Aulik, Director, Community Relations, gave a presentation on a just completed Community Health Needs Assessment. The Community Health Needs Assessment is a new requirement of the Affordable Care Act and was completed in collaboration with St. Mary's, Meriter, Stoughton Hospital and Public Health Madison Dane County. The collaborative decided to focus on Type 2 diabetes and birth outcomes based on the results of the assessment. Dr. Vidaillet moved approval of a resolution approving the plan [Attachment 1]. Mr. Weiden seconded the motion and it passed unanimously.

8. ACTION: Approval of WSEU Wage Re-Opener

Jan Bultema, Senior Vice President of Human Resources presented the Board with a resolution approving an agreement between UWHC and the Wisconsin State Employees Union. On September 25, 2012, in only three hours, UWHC and WSEU successfully negotiated a two-year wage reopener that was ratified by WSEU members on October 17, 2012. Dr. Vidaillet moved approval of the resolution [Attachment 2]. Mr. Bartell seconded the motion and it passed unanimously.

9. CEO Report

Donna Katen-Bahensky, President and Chief Executive Officer provided members with a copy of her report and briefly summarized the many positive results for the year and areas for improvement.

10. 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.; 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. Bartell seconded the motion. The motion passed with a unanimous roll call vote. The following members voted for the motion: David Walsh (Chair), Jeffrey Bartell, Wendy Coomer, Michael Falbo, Dean Robert Golden, Sen. Luther Olsen, Pablo Sanchez, Dr. Humberto Vidaillet, Dr. George Wilding, and Michael Weiden

The Board unanimously approved a capital investment.

The Board took no other action in the closed session.

The meeting adjourned.

Respectfully Submitted,

James C. Dechene, Secretary

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

Approved November 7, 2012

WHEREAS, the University of Wisconsin Hospitals and Clinics Authority (UWHCA) is recognized as tax exempt under Section 501(c)(3) of the Internal revenue Code; and

WHEREAS, the UWHCA is committed to meeting the Community Health Needs Assessment requirements for 501(c)(3);

NOW, THEREFORE, the Board of Directors of the UWHCA adopts the following resolution:

1. The Board of Directors adopts and approves the Community Health Needs Assessment Strategic Implementation Plan dated October 2012.
2. UWHCA's annual budgeting process shall include expenditures dedicated to the Plan.
3. The Board recognizes the Plan may require review and updates to better facilitate implementation. Accordingly, the Board authorizes the UWHCA President and CEO and/or his/her designee from UWHCA Senior Management to oversee and update the Plan, including but not limited to the re-allocation of budgeted funds, to address the needs identified through the ongoing community health needs assessment process. Any re-allocation of budgeted funds shall be reported to this Board or its Executive Committee.

RESOLUTION OF THE
UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS GOVERNING BOARD

Approved November 7, 2012

WHEREAS, bargaining negotiations for a two-year wage reopener between Wisconsin State Employees Union (WSEU) and the University of Wisconsin Hospitals and Clinics (UWHC) commenced September 25, 2012; and

WHEREAS, a tentative agreement was reached September 25, 2012; and

WHEREAS, the WSEU members ratified the agreement October 17, 2012.

NOW THEREFORE BE IT RESOLVED that, the UWHC Authority Board hereby approves the tentative wage reopener agreement for Years 3 and 4 which has been negotiated between the UWHC and WSEU. The UWHC Authority Board hereby authorizes UWHC to execute the contract and other documents necessary to memorialize and implement the contract.