

# UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY

## Minutes of Board of Directors Meeting

December 7, 2011

PRESENT: Michael Weiden (Vice Chair), Jeffrey Bartell, Tom Basting, Wendy Coomer Dean, Michael Falbo, Richard Fetherston, Dean Robert Golden, Rep. Howard Marklein, Dean Katharyn May, Pablo Sanchez, Dr. Humberto Vidaillet (by telephone), Chancellor David Ward, and Dr. George Wilding

EXCUSED: Roger Axtell, Sen. Luther Olsen, and David Walsh (Chair)

LIAISONS: Donna Katen-Bahensky and Dr. Nathan Rudin

STAFF: Kristi Amelong, Jan Bultema, Mike Buhl, Jim Dechene, Dr. Susan Goelzer, Dr. Chris Green, Rachel Hartjes, Beth Houlahan, Robert Miller, Jay Robaidek, Ron Sliwinski, and Kelly Wilson

GUESTS: Richard Choudoir

### 1. Call to Order

Mr. Weiden, Vice 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 November 2, 2011, Authority Board Meeting

Mr. Falbo moved approval of the minutes of the November 2, 2011, meeting. Mr. Bartell seconded the motion and it passed unanimously.

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

Dr. Nathan Rudin presented the Medical Board recommendations concerning medical staff memberships and clinical privileges. Rep. Marklein moved that the recommendations be approved. Dr. Wilding seconded the motion and it passed unanimously.

### 4. Graduate Medical Education (GME) Report

Dr. Susan Goelzer, Designated Institutional Official (DIO) for GME, presented the GME Annual Report. UWHC has 560 GME trainees in 58 programs. UWHC has a five year accreditation from the Accreditation Council for Graduate Medical Education (ACGME). UWHC is using a new GME management information system which has improved billing and reimbursement. UWHC has also focused the past year on integrating residents in patient centered care, quality and safety.

**5. Board Committee Report**

There were no meetings of the Finance and Audit Committees, so there were no Board Committee reports.

**6. CFO Report**

Mike Buhl, Senior Vice President and Chief Financial Officer, presented the CFO report. Since the last Board meeting the external financial audit of UWHC had been completed. This was later than in previous years and the timing needs to be improved if UWHC goes to the bond market next fall. The delay was caused by timing of the reporting by the UW Foundation with which the Hospital has substantial investments. The UW Foundation understands the problems the delay in reporting this information could cause and will work with UWHC to ensure this information is provided earlier next year.

The October results showed a busy hospital with increased admissions, surgeries, and ER visits. Somewhat unexpectedly, the payer mix was more favorable than projected. Mr. Buhl also noted that UWHC's current cash on hand had exceeded 200 days for the first time.

A Board member noted that transplants were down. Ron Sliwinski, Senior Vice President and Chief Operating Officer, explained transplants can be quite cyclical and these monthly swings were also seen last year. Another question was raised about why Unity had a \$1 million decrease in margin from the previous year. Mr. Buhl explained this was due to its loss ratio. A Board member also inquired what accounted for the non-operating loss that had occurred so far this fiscal year. Mr. Buhl explained that this was due to market volatility, especially in the first three months, but gains were experienced in October. A Board member asked when bad debt converts to charity care. Mr. Buhl explained that this is an ongoing process and it begins either when a patient requests that they are considered for charity care or UWHC staff working with the patient determines they do not qualify for public assistance and begin the charity care determination process. When patients are not qualified for charity care, the amount owed remains bad debt.

Net gain from operations for October was \$8.8 million. Net income for October, including non-operating gains, was \$15.7 million. Net gain from operations for the first four months was \$39.5 million. Net income, including non-operating losses, was \$35.8 million.

**7. CEO Report**

Donna Katen-Bahensky, President and Chief Executive Officer, provided members with her report. She thanked Board members, medical staff leaders, and other staff for their involvement in the recent successful Joint Commission accreditation survey. She also reported that UWHC was recently recognized as the consumer choice in both Madison and Janesville.

**8. Other matters**

Mr. Weiden recognized Kristi Amelong for her efforts in making the arrangements for the meetings of the Board.

**9. Closed Session**

There being no other matters for the open session, Mr. Weiden proposed to take the meeting into closed session as previously announced. Mr. Weiden 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.

Mr. Basting 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: Michael Weiden (Vice Chair), Jeffrey Bartell, Tom Basting, Wendy Coomer Dean, Michael Falbo, Richard Fetherston, Dean Robert Golden, Rep. Howard Marklein, Dean Katharyn May, Pablo Sanchez, Dr. Humberto Vidaillet (by telephone), Chancellor David Ward, and Dr. George Wilding.

No action was taken in the closed session.

The meeting adjourned.

Respectfully Submitted,

James C. Dechene, Secretary