

# UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY

## Minutes of Board of Directors Meeting

December 5, 2012

PRESENT: David Walsh (Chair), Jeffrey Bartell, Tom Basting, Wendy Coomer, Michael Falbo, Rick Fetherston, Dean Robert Golden, Dean Katharyn May, Lisa Reardon, Pablo Sanchez, Dr. Humberto Vidaillet (by telephone), Michael Weiden, and Dr. George Wilding

EXCUSED: Rep. Howard Marklein, Sen. Luther Olsen, and Chancellor David Ward

LIAISONS: Donna Katen-Bahensky and Dr. Nathan Rudin

STAFF: Kristi Amelong, Mike Buhl, Jan Bultema, Jim Dechene, Chris Green, MD, Mark Hamilton, Robert Miller, Bob O'Keefe, Jay Robaidek, Sue Sanford-Ring, Gillian Schroeder, Ron Sliwinski, Ralph Turner, and Dan Weissburg

GUESTS: Ric Choudoir

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. Mr. Walsh introduced the new Board member, Lisa Reardon.

2. Approval of Minutes of November 7, 2012 Authority Board Meeting

Dr. Wilding moved approval of the minutes of the November 7, 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. Dean May moved that the recommendations be approved. Dr. Wilding seconded the motion and it passed unanimously.

4. GME Report

The GME report was received for information.

5. Academic Advancement Agreement

Mr. Walsh described the concept of an Academic Advancement Agreement (the AAA) under which a portion of the net income of the hospital in a fiscal year in excess of a target would be allocated for academic and strategic purposes when certain quality, margin and cash on hand goals are met. Donna Katen-Bahensky, President and CEO, described more details concerning the proposal. The AAA is contemplated to be an agreement that would be negotiated annually

between the University of Wisconsin School of Medicine and Public Health and the University of Wisconsin Hospitals and Clinics Authority.

6. Board Committee Reports

Mike Buhl, Chief Financial Officer, reported that the Finance Committee had discussed the financial report he presented in the CFO report. There was no audit committee meeting.

7. CFO Report

Mr. Buhl highlighted a few items in the distributed financial report. He noted that the hospital is continuing to experience increased activity which is counter to what many other hospitals are experiencing. Income and operating margin were strong in October. A substantial part of the margin was due to a one time FICA payment that resulted from a successful class action lawsuit the hospital participated in relating to the tax status of residents. Mr. Buhl was asked if the hospital had built in assumptions about declines in government reimbursement which Meriter had cited as reasons for laying off employees. He assured the Board that UWHC had planned for these declines in both annual and long term financial plans.

Net gain from operations for October was \$17.3 million. Net income for September was \$20.7 million. Net gain from operations through October was \$46.7 million. Net income was \$58.8 million.

8. CEO Report

Ms. Katen-Bahensky provided members with a copy of her report. She highlighted that the hospital was proud to announce it was one of only six hospitals in the country to have its stroke program certified as a comprehensive stroke program.

9. 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.

Mr. Bartell moved that the Board enter closed session. Mr. Weiden seconded the motion. The motion passed with a unanimous roll call vote. The following members voted for the motion: David Walsh (Chair), Jeffrey Bartell, Tom Basting, Wendy Coomer, Rick Fetherston, Dean Robert Golden, Dean Katharyn May, Lisa Reardon, Pablo Sanchez, Dr. Humberto Vidaillet (by telephone), Michael Weiden, and Dr. George Wilding. Mr. Falbo was not present at the time of the vote.

The Board unanimously approved the FY 1013 Organizational Performance Improvement Program.

The Board unanimously approved a capital contribution to Unity and capital funding for the East Campus Project.

The Board approved a proposed capital investment to purchase the InnTowner Hotel that can be used for short term housing of families and recently discharged patients, with Wendy Comer, Michael Falbo, and Rick Fetherston abstaining.

The Board unanimously approved a resolution authorizing the sale of UWHCA bonds.

The Board took no other action in the closed session.

The meeting adjourned.

Respectfully Submitted,

James C. Dechene, Secretary