

**UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY**  
**Minutes of Board of Directors Meeting**

May 7, 2014

PRESENT: David Walsh (Chair), Tom Basting (Vice Chair), Chancellor Rebecca Blank, Rick Fetherston, Dean Robert Golden, Dr. Thomas Grist, Andrew Hitt, John Litscher, Rep. Howard Marklein, Dean Katharyn May, Janice Mueller, Senator Luther Olsen, Pablo Sanchez, Dr. Humberto Vidaillet (via telephone)

EXCUSED: Regina Millner, Lisa Reardon

LIAISON: Donna Katen-Bahensky, Dr. Nathan Rudin

STAFF: Kristi Amelong, Mike Buhl, Jan Bultema, Mike Dallman, Jim Dechene, Dr. Chris Green, Beth Houlahan, Jay Robaidek, John Sheehan, Ron Sliwinski, Dan Weissburg, Kelly Wilson

GUESTS: Tim Stumm, Wisconsin Health News

1. Call to Order

Chair David Walsh called the duly noticed meeting of the Board of Directors of the University of Wisconsin Hospitals and Clinics Authority ("UWHCA") to order at 1:30 p.m. A roll call vote was taken, with all the members identified above constituting a quorum, present. Andrew Hitt joined the meeting at 2:00 p.m.

2. Approval of Minutes of March 5, 2014 Authority Board Meeting

Chancellor Blank moved approval of the minutes of the March 5, 2014 meeting (Attachment A). Dean May seconded the motion, and it passed unanimously.

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

Dr. Nathan Rudin, President of the UWHC Medical Staff, presented the Medical Board recommendations for approval of new medical staff memberships, additional privileges, biennial reappointments, and status changes for the Medical Staff and other providers requesting professional privileges for practice at UWHC (Attachment B). Dr. Grist moved approval of the recommendations; Mr. Litscher seconded the motion; and it passed unanimously.

4. Approval of Property Purchase for House for AFCH Raffle

Nancy Francisco-Welke, Vice President of Development, UW Foundation, asked the Board for approval to enter into a contract relating to the proposed Incredible House Raffle being planned by AFCH. This is the second year of the raffle. Last year's raffle raised \$40,000 for AFCH. The raffle agreements protect UWHC such that if it does not raise significant funds for the raffle to be able to cover the cost of the house, it is not obligated to move forward (Attachment C). Dean Golden moved approval of the motion; Dr. Grist seconded the motion; and it passed unanimously.

5. CFO Report

Mr. Buhl provided the CFO Report (Attachment D). Operating revenue is running positive to budget by about 6%. Costs likewise are running high as compared to budget. The net result is a year-to-date operating income of 5.4%, over the budgeted operating income of 4.9%. UWHCA has seen a growth in infusion pharmacy, both on revenue and cost. Mr. Buhl attributed the

positive margin to a more favorable than expected payer mix and better than expected outpatient margin. Mr. Buhl expects an operating margin in the low to mid 5% range by the fiscal year close at the end of June.

6. CEO Report

Ms. Katen-Bahensky, President and Chief Executive Officer, presented the CEO Report (Attachment E). Ms. Katen-Bahensky wished the nurses at the meeting a Happy Nurses Week. She pointed out that we just recently celebrated an employee who has worked at UWHC for 50 years in Neurosciences. She mentioned that the Radiothon is going on at AFCH and invited people to stop by. Last year, the Radiothon made \$450,000. Ms. Katen-Bahensky discussed SwedishAmerican Health System. We have signed a Letter of Intent and anticipate completing due diligence and closing the deal in about 90 days. She showed pictures of the new AFCH NICU unit, explaining that is where the funds raised for AFCH have been going. Three of the seven participants in the School at Work program already have been promoted to a supervisory role. UWHC has been listed by Becker's Hospital Review as one of the 100 Greatest Hospitals in America. UWHC also is one of five finalists for the Quest for Quality award from the American Hospital Association.

7. Other Matters

There were no Other Matters to present to the Board.

8. Closed Session

There being no other matters for the open session, Mr. Walsh proposed to take the meeting into closed session as previously noticed. 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.; to consider the employment and performance evaluation data of public employees, as provided in section 19.85(1)(c), Wis. Stat.; for the purpose of obtaining legal advice pursuant to Section 19.85(1)(g); and for review of the services of health care providers, pursuant to section 146.38, Wis. Stat. Mr. Walsh also indicated that the Board would be returning to Open Session to vote on the Fiscal Year 2015 rate increase.

Senator Olsen moved to go into closed session; Mr. Fetherston seconded; and there was a unanimous roll call vote approving entering into closed session. The following members voted for the motion: David Walsh (Chair), Mr. Basting, Chancellor Blank, Mr. Fetherston, Dean Golden, Dr. Thomas Grist, John Litscher, Rep. Marklein, Dean Katharyn May, Janice Mueller, Senator Olsen, Pablo Sanchez, and Dr. Humberto Vidaillet (via telephone).

The Board took no action in the closed session.

3. Return to Open Session: ACTION: Approval of FY15 Price Increases

Dean Golden moved approval of an average 5% rate increase consistent with the proposed notice as modified pursuant to discussion in Closed Session (Attachment F). Mr. Basting seconded the motion and it passed with all members present voting for the resolution.

Rep. Marklein moved to adjourn the meeting; Dr. Grist seconded the motion; and the motion was unanimously approved.

Respectfully Submitted,

James C. Dechene, Secretary