

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

**Approval of Integration Transaction with University of Wisconsin Medical Foundation and  
Approval of Integration-Related UWHCA Bylaws Changes**

June 3, 2015

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[TO BE PROVIDED AT JUNE 3, 2015 UWHCA BOARD MEETING]

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**BYLAWS OF  
THE UNIVERSITY OF WISCONSIN  
HOSPITALS AND CLINICS AUTHORITY**

(As amended by the Board of Directors ~~on September 3, 2014~~ effective July 1, 2015)

**ARTICLE I: ROLE AND PURPOSE OF AUTHORITY**

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The University of Wisconsin Hospitals and Clinics Authority ("Authority") is a public authority created as a public body corporate and politic in Chapter 233 of Wisconsin Statutes by 1995 Wisconsin Act 27, as amended. The purposes of the Authority as specified in Section 233.04(3b)(a), Wisconsin Statutes, are:

- (a) Delivering high-quality health care to patients using the hospitals and to those seeking care from its programs, including a commitment to provide such care for the medically indigent;
- (b) Providing an environment suitable for instructing medical and other health professions students, physicians, nurses and members of other health-related disciplines;
- (c) Sponsoring and supporting research in the delivery of health care to further the welfare of the patients treated and applying the advances in health knowledge to alleviate human suffering, promote health and prevent disease; and
- (d) Assisting health programs and personnel throughout the state and region in the delivery of health care.

**ARTICLE II: BOARD OF DIRECTORS**

Section 2.1. General Powers and Duties. The business and affairs of the Authority shall be directed by the Board of Directors ("Board"). Among its duties, the Board shall have the duty to oversee the management of the Authority; to appoint a ~~President & CEO~~ Chief Executive Officer (the "CEO") and conduct annual performance appraisals of the ~~President & CEO~~; to approve medical staff bylaws, medical staff membership and clinical privileges; to provide for the delivery of quality patient care; to assure that strategic planning is performed; to provide for financial management, adopt an annual budget and arrange for financing; and to assure that there is a process of performance improvement.

Section 2.2. Voting Members: Process and Criteria for Selection. As required by section 233.02(1), Wisconsin Statutes, the voting members of the Board shall satisfy the following criteria and be selected in the following manner:

- (a) Six members nominated by the Governor and, with the advice and consent of the state Senate, appointed for five year terms.
- (b) Three members of the state Board of Regents appointed by the President of the Board of Regents, ~~to serve until their successors are appointed.~~
- (c) The University of Wisconsin ("UW")-Madison Chancellor, or his/her designee, to serve ex-officio with vote.

(d) The dean of the UW-Madison School of Medicine and Public Health (the "Medical School"), to serve ex-officio with vote.

(e) A chairperson of a ~~UW-Madison~~ Medical School department appointed by the UW-Madison Chancellor, to serve until a successor is appointed.

(f) A faculty member from a UW-Madison health professions school, other than the ~~UW-Madison~~ Medical School, appointed by the UW-Madison Chancellor, to serve until a successor is appointed.

~~(g) The Secretary of the state Department of Administration, or his/her designee, to serve ex-officio with vote.~~

~~(h) The co-chairpersons of the legislative Joint Committee on Finance to serve ex-officio with vote. Any member of the legislature may be designated by a co-chairperson to serve as the designee of such co-chairperson.~~

Section 2.3 Written Designation. Any designee under Section 2.2 (c), (g), or (h) must be designated by written notice to the Chairperson of the Authority before entering upon the duties of being a member of the Board.

#### Section 2.4 Meetings.

(a) Regular Meetings. The regular meeting shall be scheduled monthly on a day and at a time set by resolution of the Board, but may be canceled by the Chairperson, provided that the Board shall meet at least eight times per year and have at least one meeting in each calendar quarter.

(b) Special Meetings. Special meetings may be called by the Chairperson at any time, and shall be called by the Chairperson at the request of three members of the Board. Written notice of special meetings must be given to all members not less than three (3) days prior to a special meeting stating the time, place and purpose of the meeting.

(c) Location. Except for teleconference meetings, all meetings of the Board shall be held in Madison, unless otherwise ordered by the Board.

(d) Teleconferencing. Any regular or special meeting of the Board or any committee thereof may be held by teleconference at the discretion of the chairperson. Persons participating by teleconference shall be considered present at the meeting.

(e) Public Notice of Meetings. All meetings shall be publicly announced by the Authority Chairperson in accord with the state open meeting law, section 19.82(1), Wisconsin Statutes.

(f) Facsimile or Email Notice. Any notice required to be given under these bylaws may be sent by facsimile transmission or by email.

(g) Quorum and Manner of Voting. As required by section 233.02(8), Wisconsin Statutes, eight voting members of the Board shall constitute a quorum for the purpose of conducting business and exercising the powers of the Authority, notwithstanding the existence of any vacancy. The vote of a majority of the voting directors present at any meeting at which a quorum is present shall be necessary for the passage of any resolution or act of the Board, unless these bylaws require a larger number.

(ih) Minutes of Meetings and Custodian of Records. Minutes of all meetings of the Board and its committees shall be kept. Upon approval, such minutes shall be filed in the Authority's principal office and are a public record to the extent provided in the state's public record law.

(ji) Medical Staff Liaison. The President of the medical staff, or his/her designee, shall be invited to attend all meetings of the Board and shall be permitted to speak to matters before the Board that affect the discharge of medical staff responsibilities.

~~(kj) Administrative Liaison. The CEO/CEO of the hospital and Authority and the Chief Administrative Officer of the University of Wisconsin Medical Foundation, Inc. (the "Foundation"), or their designees, shall be invited to attend all meetings of the Board and shall be permitted to speak to matters before the Board.~~

(lk) Email approvals. Any action which may be approved by the Board or any committee thereof may be approved by an email vote at the discretion of the chairperson of the Board or applicable committee. Notice shall be given of email vote in a manner permitted by the public meetings law. Members shall be given at least two business days to respond. If a quorum of the Board or committee members respond by the time set for the vote, the action shall be approved if approved by a majority of the timely respondents, unless one timely respondent requests that the matter be considered at the next convened meeting of the Board.

Section 2.5 Vacancies. Whenever a vacancy occurs on the Board, notice shall be given to the appropriate nominating or appointing individual for the vacant position, so that a new member of the Board may be selected for the remainder of the unexpired term, if any, in accordance with section 233.02(2), Wisconsin Statutes.

Section 2.6 Compensation of Members of the Board. Members of the Board shall not receive compensation for serving as members. However, members shall be reimbursed for expenses incurred in connection with carrying out their duties as members as provided in section 233.02(3), Wisconsin Statutes.

### **ARTICLE III: OFFICERS OF THE BOARD OF DIRECTORS**

Section 3.1 Officers. The officers of the Board shall consist of a Chairperson and a Vice Chairperson.

Section 3.2 Election of Officers. At its first meeting in each fiscal year, ~~the Board shall elect the Chairperson and Vice Chairperson shall be elected by ballot;~~ provided, however, that if there is only one nominee for each office, the election shall be by voice vote. For the fiscal years ending in 2016 and 2017, and for each fiscal year in every other two-year period thereafter, the Executive Committee shall nominate for election: (a) the dean of the Medical School to serve as the Chairperson; and (b) a separate Director with demonstrated expertise to serve as the Vice Chairperson. For the fiscal years ending in 2018 and 2019, and for each fiscal year in every other two-year period thereafter, the Executive Committee shall nominate for election: (a) the dean of the Medical School to serve as the Vice Chairperson; and (b) a separate Director with demonstrated expertise to serve as the Chairperson. If the position of Chairperson or Vice Chairperson becomes vacant, a replacement for the remainder of the term shall be elected in the same manner at the next meeting of the Board.

Section 3.3 Chairperson. The Chairperson shall preside at all meetings of the Board; shall serve as an ex-officio member, without vote, on all standing and special committees, unless otherwise specified in these bylaws; shall appoint all committee members, unless otherwise specified in these Bylaws; and shall perform all of the acts usually attendant upon the office of Chairperson or which may be set forth in these bylaws or resolutions of the Board.

Section 3.4 Vice Chairperson. During the absence of the Chairperson or his/her inability to act, the Vice Chairperson shall perform the duties and exercise the powers of the Chairperson.

Section 3.5 Secretary and Assistant Secretaries. In accordance with sec. 233.01(9), the Board shall designate by resolution a person to keep a record of the proceedings of the Authority and to serve as custodian of all books, documents, and papers filed with the Authority, the minute book or journal of the Authority and its official seal. This person shall be the Secretary and need not be a member of the Board. The Board may by resolution designate one or more other persons to serve as Assistant Secretaries. The Secretary or any Assistant Secretary may cause copies to be made of all minutes and other records and documents of the Authority and may give certificates under the official seal of the Authority to the effect that such copies are true copies, and all persons dealing with the Authority may rely upon such certificates.

#### ARTICLE IV: COMMITTEES

Section 4.1 Committee Designation. The Board shall establish an Executive Committee, a Finance Committee, an Audit Committee, ~~and an Executive Compensation Committee, and a Performance Improvement, Risk Management, and Safety Committee~~. In addition, the Board may establish other standing and special committees.

Section 4.2 Composition. The Chairperson shall appoint the members of committees, unless another method of selection for a particular committee is specified in these Bylaws or by resolution of the Board. Non-board members may be appointed to serve on committees of the Board of the Directors, unless these Bylaws or a Board resolution specifies otherwise. At least two members of each committee shall be members of the Board. One or more members of the medical staff shall be included on all committees appointed to deliberate issues affecting the discharge of medical responsibilities, except for Board committees, if any, reviewing medical staff appointment, reappointment, clinical privileges, or corrective action.

Section 4.3 Executive Committee.

(a) Designation and Membership. The Executive Committee shall consist of the following voting and non-voting members:

(i) Voting members: the Chairperson, the Vice Chairperson, the UW-Madison Chancellor or designee, ~~the UW-Medical School Dean, and such other members of the Board as shall be approved by the Board. The President & CEO shall be an ex-officio member of the~~

~~Executive Committee without vote a chairperson of a Medical School clinical department, and a separate Authority Director; and~~

~~(ii) Non-voting members: the CEO, and three individuals nominated by the Foundation and elected by the Authority Board.~~

~~(b) Chairperson and Vice Chairperson of the Executive Committee. The individual serving as the Chairperson of the Board from time to time shall serve as the Chairperson of the Executive Committee. The individual serving as the Vice Chairperson of the Board from time to time shall serve as the Vice Chairperson of the Executive Committee.~~

~~(bc) Functions and Powers. The Executive Committee shall have and exercise, so far as may be permitted by law, all powers of the Board between meetings thereof, including, but not by way of limitation, the supervision of the general management of the Hospital Authority and the Foundation and the preparation and presentation of the annual budget of the Hospital Authority and the Foundation, except for the power to amend or repeal these bylaws or adopt new bylaws. The Executive Committee shall at least biennially review these Bylaws and report to the Board whether amendments are recommended. The Executive Committee shall also perform all functions which by law must be performed by a committee of the Board which have not been included in the charge of another committee. The Executive Committee shall make a report to the Board of action taken by it since its last report to the Board.~~

~~(ed) Meetings. The Executive Committee shall meet as often as may be deemed necessary and expedient at such times and places as shall be determined by the Executive Committee. When the Executive Committee is addressing other matters in closed session where in its opinion it is necessary to exclude one or more members of the committee or the Board, the Executive Committee may exclude such members.~~

~~(de) Quorum and Manner of Acting. Four (4) voting members of the Executive Committee shall constitute a quorum with the agreement of ~~two~~ at least three (3) voting members required for all Committee action.~~

#### Section 4.4 Finance Committee

(a) Designation and Membership. The Finance Committee shall consist of the Chairperson, the Vice Chairperson, and two or more additional persons appointed by the Chairperson. The ~~President &~~ CEO shall be an ex-officio member of the Finance Committee without vote.

(b) Functions and Powers. The Finance Committee, subject to any limitations prescribed by the Board, shall review the annual budget and make recommendation to the Board and perform such other duties of a financial nature as may be assigned by the Board.

(c) Meetings. The Finance Committee shall meet as often as may be deemed necessary and expedient at such times and places as shall be determined by the Finance Committee.

(d) Quorum and Manner of Acting. Three (3) voting members of the Finance Committee shall constitute a quorum with the agreement of at least two (2) voting members required for all committee action.

#### Section 4.5 Audit Committee

(a) Designation and Membership. The Audit Committee shall consist of the Chairperson, the Vice Chairperson, the ~~President & CEO~~, and two (2) or more other persons appointed by the Chairperson.

(b) Functions and Powers. The Audit Committee, subject to any limitations prescribed by the Board, shall assist the Board in carrying out its responsibilities as they relate to ~~hospital~~Authority and Foundation accounting policies, reporting practices, adequacy of internal controls, quality and integrity of financial reporting, compliance with laws and other regulations and such other matters as maybe assigned by the Board. The Audit Committee may initiate such investigations as it shall deem necessary.

(c) Meetings. The Audit Committee shall meet at least twice each year and such additional times as may be deemed necessary and expedient by the Audit Committee. The Audit Committee shall meet at such times and places as shall be determined by the Audit Committee. Special meetings may be called by the Chair or by written request of any four members of the committee. When the Audit Committee is addressing matters in closed session where in its opinion it is necessary to exclude one or more members of the committee or the Board, the Audit Committee may exclude such members.

(d) Quorum and Manner of Acting. Three (3) members of the Audit Committee shall constitute a quorum with the agreement of at least two (2) members required for all committee action.

#### Section 4.6 Executive Compensation Committee

(a) Designation and Membership. The Executive Compensation Committee shall consist of the Chairperson, the Vice Chairperson, and two (2) or more other independent members of the Board appointed by the Chairperson. "Independent" shall mean that the member (a) is not an officer or employee of an entity (except the State of Wisconsin or an agency of the State of Wisconsin) that has any contract with the ~~Hospital Authority~~, unless the Board unanimously approves an exception after full disclosure, and (b) is not an employee of the ~~University of Wisconsin Hospitals and Clinics Authority~~, the ~~University of Wisconsin Hospitals and Clinics Board~~Foundation, the University of Wisconsin-Madison (except the Chancellor), or any organization representing such employees.

(b) Functions and Powers. The Executive Compensation Committee shall define the compensation philosophy and standards and otherwise ensure that the compensation strategies and practices of the ~~Hospital Authority~~ are consistent with applicable law and its charitable mission. The Executive Compensation Committee shall recommend the compensation of the ~~President & CEO~~ to the full Board. The Executive Compensation Committee shall recommend and approve the compensation of the senior executives holding the titles of Vice President and Senior Vice President, subject to any other limits prescribed by the Board.

(c) Meetings. The Executive Compensation Committee shall meet at least two times each year and such additional times as may be deemed necessary and expedient by the Executive Compensation Committee. The Executive Compensation Committee shall meet at such times and places as shall be determined by the Executive Compensation Committee. Special meetings may be called by the Chair or by written request of any two members of the committee. When the Executive Compensation Committee is addressing matters in closed

session where in its opinion it is necessary to exclude one or more members of the committee or the Board, the Executive Compensation Committee may exclude such members.

(d) Quorum and Manner of Acting. Three (3) members of the Executive Compensation Committee shall constitute a quorum with the agreement of at least two (2) members required for all committee action.

#### Section 4.7. Performance Improvement, Risk Management, and Safety (PIRMS) Committee

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(a) Designation and Membership. The PIRMS Committee shall consist of at least three members of the Board of Directors appointed by the Chair of the Board, the Senior Vice President for Medical Affairs, Senior Vice President and Chief Nursing Officer, two members of the UWHCA Authority Medical Staff appointed by the Chair of the Board, and one community member appointed by the Chair of the Board. Other Vice Presidents and Senior Vice Presidents appointed by the CEO shall be ex-officio members without vote. In addition, each member of the Board of Directors is encouraged to attend at least one PIRMS Committee meeting each year and, when in attendance, shall be a member of the committee with vote.

(b) Functions and Powers. The PIRMS Committee, subject to any limitations prescribed by the Board, shall provide a forum for review of sensitive quality improvement, safety, utilization review, critical event causal analysis, and regulatory (non-fiscal) compliance plans and accept reports of resulting action plans; oversee the effective functioning of systems and policies to enhance the safety, health outcomes and care experience for UWHCA Authority patients; oversee systems and policies to achieve compliance with legal, regulatory and accreditation requirements and standards; and report to the Board at least quarterly. The PIRMS Committee is a confidential peer review committee.

(c) Meetings. The PIRMS Committee shall meet at least four times each year and such additional times as may be deemed necessary and expedient by the PIRMS Committee. The PIRMS Committee shall meet at such times and places as shall be determined by the PIRMS Committee. When the PIRMS Committee is addressing matters in closed session where in its opinion it is necessary to exclude one or more members of the committee or the Board, the PIRMS Committee may exclude such members.

(d) Quorum and Manner of Acting. Three (3) voting members of the PIRMS Committee shall constitute a quorum with the agreement of at least two (2) voting members required for all committee action.

### **ARTICLE V: OFFICERS OF THE AUTHORITY**

Section 5.1 Officers Generally. The officers of the Authority shall be a CEO, Secretary, Senior Vice President and Chief Financial Officer, Senior Vice President and Chief Medical Officer, Senior Vice President and General Counsel, and such other officers as the Board may determine from time to time. A person, other than the CEO, may hold more than one office at the same time.

Section 5.2 Selection of the President & CEO. The CEO shall be chosen by the Board from persons other than themselves and shall serve at the pleasure of the Board (section



233.02(9), Wisconsin Statutes). The CEO shall be qualified for his/her responsibilities through education and experience. It is preferred but not required that the CEO be a physician.

Section 5.25.3 Duties and Functions of the President & CEO. The CEO shall act as the executive officer of the Authority and shall be responsible for the management of the Authority. The CEO shall have general charge of the business and affairs of the Authority and shall direct all other officers, agents, and employees. Except as provided in these bylaws or by Board resolution, the CEO shall appoint all other officers, agents, and employees of the Authority. The CEO shall organize the functions of the Authority through appropriate departmentalization and delegation, establishing formal means of staff evaluation and accountability. The CEO shall provide liaison among the Board, medical staff, the nursing service and other services of the Authority. The CEO shall keep the Board informed about the management and financial status of the Authority through regular reports to the Board. The CEO may delegate his/her authority to act on behalf of the Authority to other employees and agents of the Authority.

Section 5.35.4 Chief Financial Officer, Chief Medical Officer, and General Counsel. The President & CEO shall appoint the Chief Financial Officer, Chief Medical Officer, and the General Counsel, subject to the approval of the Board. They are subject to removal by the CEO with the approval of the Board.

#### **ARTICLE VI: SENIOR LEADERSHIP COUNCIL**

Section 6.1 Purpose. The Authority shall have a Senior Leadership Council acting as an advisory body to the CEO. The Senior Leadership Council is organized to provide ongoing and meaningful Medical School faculty physician and administrative leadership input into the strategic, governance, and operational management decisionmaking of the combined clinical enterprise of the Authority and Foundation ("UW Health").

Section 6.2 Size and Composition of the Senior Leadership Council. The Senior Leadership Council shall be comprised of the following individuals, as determined by the CEO in his or her sole and reasonable discretion:

- (a) the CEO, *ex-officio* (who shall also serve as Chair of the Senior Leadership Council);
- (b) the Chief Medical Officer, *ex-officio*;
- (c) one or more senior UW Health executives, other than the CEO and Chief Medical Officer;
- (d) one or more Chairs of clinical departments of the Medical School (each a "Clinical Department"); and
- (e) one or more senior UW Health clinical leaders other than a Clinical Department Chair.

Section 6.3 Duties. The CEO shall consult with the Senior Leadership Council on matters including, but not limited to, the following:

- (a) UW Health budgeting process;
- (b) strategy regarding clinical programs;
- (c) broad operations management;
- (d) regional strategy; and
- (e) consideration of the clinical and academic interface.

Section 6.4 Relationship to Foundation Council of Chairs and Council of Faculty. The Council of Faculty and the Council of Chairs may provide input to the Senior Leadership Council on issues considered by the respective Councils, including, without limitation, the allocation of research funds to Clinical Departments and the creation of standards for Clinical Department operating expenses. Each Clinical Department shall provide to the Senior Leadership Council, at least annually and in a form satisfactory to the Senior Leadership Council, reports on Department operating expenses, direct expenses, and Medical School faculty physician business expenses.

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#### **ARTICLE ~~VII~~: MEDICAL STAFF**

~~Section 6.4.7.1 Medical Staff Bylaws.~~ The medical staff of the Authority shall be organized and function under bylaws approved by the Board.

~~Section 6.27.2 Medical Staff Appointments and Clinical Privileges.~~ Appointment and reappointment of the medical staff, delineation of their clinical privileges, and hearings and appeals shall be in accordance with the Medical Staff Bylaws approved under Section ~~6.4.7.1~~.

#### **ARTICLE ~~VIII~~: AUXILIARY ORGANIZATIONS**

Approved auxiliary organization may be permitted to provide volunteer services on behalf of the Authority or within the facilities operated by the Authority. Such auxiliary organizations shall coordinate their services with the management of the Authority. The Bylaws and, if any, the Articles of Incorporation of any auxiliary organization which bears the name of the University of Wisconsin Hospitals and Clinics, or any other name under which the Authority conducts business, must be approved by the ~~President & CEO~~ in order for the organization to be an approved auxiliary organization.

#### **ARTICLE ~~IX~~: CONFLICT OF INTEREST**

Prior to taking any action in an official capacity on any matter involving a potential conflict of interest or an actual conflict of interest, any Director shall state the nature of the potential or actual conflict of interest. Any Director having an actual conflict of interest in a transaction with the Authority shall in addition (i) refrain from participating as a public official in any discussion or debate on the issue out of which the conflict arises and (ii), unless the Director's vote is necessary for Board action on the issue and is otherwise not prohibited by law, refrain from voting on the issue. An actual conflict of interest shall be any situation which would violate section 19.46, Wisconsin Statutes. All Directors shall comply with the applicable requirements of the state code of ethics for public officials in sections 19.41-19.58, Wisconsin Statutes.

#### **ARTICLE ~~IX~~: CONFIDENTIALITY**

Subject to the requirements of applicable law, the members of the Board and officers of the Authority shall take such steps as are necessary to preserve the confidentiality of (1) sensitive business records and financial and commercial information concerning or belonging to

the Authority which are of a nature not customarily provided to business competitors, (2) confidential patient or personnel information, (3) confidential information concerning potential or pending claims, and (4) other confidential information to which they may have access in the course of their duties for the Authority.

**ARTICLE ~~XI~~: AMENDMENTS**

These Bylaws may be altered, amended, or repealed at any Board meeting by an affirmative vote of nine voting members, provided that proposed amendments shall be specifically set forth in the meeting notice.

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ADOPTED: June 26, 1996  
AMENDED: November 7, 1996  
REVIEWED: December 10, 1998  
AMENDED: September 11, 2002  
AMENDED: April 6, 2005  
AMENDED: November 8, 2006  
AMENDED: July 2, 2008  
AMENDED: July 8, 2009  
AMENDED: September 7, 2011  
AMENDED: September 3, 2014  
AMENDED: July 1, 2015

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