

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

Open Session
May 6, 2015

PRESENT: David Walsh (Chair), David Ward (Vice Chair), Chancellor Rebecca Blank, Dean Robert Golden, Dr. Thomas Grist, Michael Heifetz, Andrew Hitt, John Litscher, Janice Mueller, Lisa Reardon, Pablo Sanchez, Dr. Humberto Vidaillet

EXCUSED: Senator Luther Olsen, Rep. Dale Kooyenga, Dean Katharyn May, Regina Millner

LIAISONS: Ron Sliwinski, Dr. Lee Faucher

STAFF: Kristi Amelong, Elizabeth Bolt, Betsy Clough, Jocelyn DeWitt, Tim Gaillard, Dr. Chris Green, Beth Houlahan, Gary Johnson, Jordan Mason, Teresa Neely, Bob O'Keefe, Jeff Poltawsky, Jay Robaidek, Tiffany Roepsch, John Sheehan, Dan Weissburg, Kelly Wilson

GUESTS: Tim Stumm (WI Health News), Kevin Eldridge

1. Call to Order

Chair Walsh called the open session of the Board of Directors meeting to order at 1:32 p.m. Roll call was taken and a quorum was present.

2. ACTION: Approval of Open Session Minutes of March 4, 2015 Authority Board Meeting

Vice Chair Ward moved approval of the open session minutes of the March 4, 2014 meeting (Attachment A); Dr. Grist seconded the motion; it passed unanimously.

3. Kidney Transplant Chain Video

The Board viewed a television segment from ABC's *Nightline* reporting on the longest chain of kidney transplants ever performed. The kidney chain started and ended at UW Hospital, with five UWHC patients participating in the chain, and a total of 68 people at 26 hospitals nationwide.

4. ACTION: Review & Approval of Medical Staff Membership & Clinical Privileges

Dr. Lee Faucher presented the Medical Board recommendations concerning medical staff memberships and clinical privileges (Attachment B). Chancellor Blank moved that the recommendations be approved; Mr. Litscher seconded the motion; it passed unanimously.

5. ACTION: Resolution Regarding a 12 Month Partial Suspension of Reporting Requirement under the UWHC Code of Ethics on Conflicts of Interest

Dan Weissburg, UWHCA Compliance and Privacy Officer, summarized UWHCA's Code of Ethics on Conflicts of Interest (COI Code), which currently requires all non-represented employees to submit an annual report on certain outside activities. Due to changes in UWHCA's workforce, all UWHCA employees are now non-represented. The COI Code is not intended to require reporting of outside activities by all UWHC employees. For this reason, Mr. Weissburg presented a resolution to the Board (Attachment C) seeking approval to continue to require reporting of outside activities by UWHCA employees who are in a position to influence

purchasing and operational decisions, specifically purchasing managers and employees in a director-level position or higher, but to suspend reporting requirements for all other UWHCA employees for a period of twelve months so that UWHCA may consider revisions to its COI Code. Discussion followed to confirm that UWHCA would continue to meet its statutory obligations regarding conflict of interest reporting. Resolution No. 15-019

Ms. Mueller moved to approve the resolution; Mr. Hitt seconded the motion; the resolution was approved unanimously.

6. ACTION: Review and Approval of UW Health Graduate Medical Education Institutional Commitment Statement

Dr. Chris Green, UWHCA Chief Medical Officer, presented an updated Graduated Medical Education Institutional Commitment Statement (Attachment D). Dr. Green explained that the Statement signifies UWHCA's support for graduate medical education and all of the related requirements. The new Statement is substantively similar to, but expands upon, the original statement.

Mr. Sanchez moved to approve the statement; Mr. Litscher seconded the motion; it passed unanimously.

7. Board Reports - Audit and Finance Committees

Bob O'Keefe, UWHCA Chief Financial Officer, reported on the Audit Committee meeting occurring earlier in the day. Mr. O'Keefe reported that the Audit Committee reviewed the audit plan provided by UWHCA's external auditor, KPMG, for FY2015. Mr. O'Keefe reported that the Audit Committee also reviewed Audit Committee and Compliance reports.

Mr. O'Keefe also reported on the Finance Committee meeting held earlier in the morning, stating that the Finance Committee reviewed and approved the UWHCA FY2016 Capital and Operating Budget as proposed.

8. CFO Report

Mr. O'Keefe presented the CFO report (Attachment E) summarizing year-to-date operating results and reported an increase in patient volume of 4.4% over budget and 7.4% over the previous year. Increases are attributed to the continued expansion of Unity Health Insurance Membership and a greater than anticipated enrollment of childless adults in Wisconsin Medicaid. For FY2015, an operating margin of 5.8% is projected, which is ahead of budget and consistent with the prior fiscal year. Operating income is ahead of budget; however, non-operating income is significantly behind last year.

9. Other Matters

There were no other matters to present to the Board in Open Session.

10. Closed Session

There being no other matters for the open session, Chair Walsh proposed to take the meeting into closed session pursuant to Section 19.85(1)(e), Wis. Stat. 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, pursuant to Section 19.85(1)(g), Wis. Stat.; to confer with legal counsel regarding strategy with respect to threatened or pending litigation; and pursuant to Section 146.38, Wis. Stat., for the review of the services of health care providers.

Mr. Hitt moved to go into closed session; Vice Chair Ward seconded the motion; there was a unanimous roll call vote approving entering into closed session. The following members voted for the motion: Chair Walsh, Vice Chair Ward, Chancellor Blank, Dean Golden, Dr. Grist, Mr. Heifetz, Mr. Hitt, Mr. Litscher, Ms. Mueller, Ms. Reardon, Mr. Sanchez, and Dr. Vidaillet.

11. Return to Open Session

Following closed session, Vice Chair Ward moved to return to open session; Mr. Hitt seconded the motion, and the motion was unanimously approved.

12. ACTION: Approval of FY2016 Capital & Operating Budget

Mr. O'Keefe presented a resolution to approve the FY2016 Capital and Operating Budget (Attachment F), as recommended by the Finance Committee. This resolution included a five percent increase in charges, which will be reported publicly. Resolution No. 15-020

Dr. Grist moved to approve the resolution; Mr. Hitt seconded the motion; the motion was unanimously approved.

13. ACTION: Integration Resolution

Chair Walsh presented a resolution authorizing the Executive Committee of the Board to enter into an Integration Agreement with University of Wisconsin Medical Foundation, under which UWHCA will become the sole corporate member of the University of Wisconsin Medical Foundation (UWMF), execute any other related agreements or documents, and take any other actions necessary to carry out the proposed integration of UWMF and UWHCA (Attachment G). Resolution No. 15-021

Vice Chair Ward moved to approve the resolution; Mr. Hitt seconded the motion; the motion was unanimously approved.

14. Adjournment

Dr. Grist moved to adjourn the meeting; Vice Chair Ward seconded the motion; the motion was unanimously approved. Chair Walsh adjourned the meeting at 2:28 p.m.

Respectfully Submitted,

Tiffany Roepsch, Assistant Secretary