

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

February 6, 2013

PRESENT: David Walsh (Chair), Jeffrey Bartell, Tom Basting, Wendy Coomer, Rick Fetherston, Dean Robert Golden, Rep. Howard Marklein, Dean Katharyn May, Sen. Luther Olsen, Lisa Reardon, Pablo Sanchez, Dr. Humberto Vidaillet and Dr. George Wilding

EXCUSED: Michael Falbo, Michael Weiden, and Chancellor David Ward

LIAISONS: Donna Katen-Bahensky

STAFF: Kristi Amelong, Mike Buhl, Jan Bultema, Jim Dechene, Jill Ellefson, Chris Green, MD, Beth Houlahan, Robert Miller, Jay Robaidek and Dan Weissburg

GUESTS: Jonathan Jaffery, MD

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 announced that it was the fifth anniversary of Donna Katen-Bahensky as CEO and presented her with a gift.

2. Approval of Minutes of December 5, 2012 Authority Board Meeting

Mr. Basting moved approval of the minutes of the December 5, 2012 meeting. Mr. Bartell seconded the motion and it passed unanimously.

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

Dr. Chris Green, Senior Vice President/Medical Affairs, presented the Medical Board recommendations concerning medical staff memberships and clinical privileges. Sen. Olson moved that the recommendations be approved. Dr. Vidaillet seconded the motion and it passed unanimously.

4. Human Resources Update

Jan Bultema, Senior Vice President/Human Resources, presented the annual human resources update. She reported on accomplishments, recruitment, training, retention, engagement, awards and other matters.

5. Board Committee Reports

Mike Buhl, Chief Financial Officer, reported that the Audit Committee had discussed internal audits. The internal auditor informed the committee that, as in the past, his audit of the UW Foundation was uneventful.

Dan Weissburg, the Director of Compliance, provided the Board with a memo approved by the Audit Committee that outlines specific occurrences that the Audit Committee directed Compliance to report to the Audit Committee.

Mr. Buhl said a meeting of the Finance Committee also took place and the information discussed in that committee is in his CFO report.

6. CFO Report

Mr. Buhl highlighted a few items in the distributed financial report. In particular, Mr. Buhl noted that there was a decrease in clinical activity in December. He identified two factors that led to this decrease. The first was the holidays that occurred in December. The second was the severe winter conditions that occurred during December. Mr. Buhl also highlighted that it has been another strong month financially. He did note that part of the margin was due to a one time FICA refund that resulted from a successful class action lawsuit the hospital participated in over the status of residents.

Net gain from operations for December was \$3.1 million. Net income for December was \$6.3 million. Net gain from operations through December was \$73.8 million. Net income was \$91.5 million.

7. CEO Report

Donna Katen-Bahensky, President and Chief Executive Officer, provided members with a copy of her report. She briefly discussed some of her more pertinent meetings both internally and externally since the Board last met. She reported that a recent meeting with bond rating agencies went very well. Over 95% of employees had received the flu vaccine this fall and winter. She noted the charitable gift that was given to three local charities on behalf of UWHC staff.

8. Academic Advancement Agreement

During the December, 2012 meeting of the Board, a presentation was made detailing the Academic Advancement Agreement (AAA). The AAA is intended to create a system of accountability for physicians and the School of Medicine and Public Health to receive funds in excess of the approved margin from UWHC, while at the same time improving quality and patient care and protecting the financial future of UWHC. The version of the agreement that was provided for today's meeting had been updated since the December meeting. In Dean Golden's view, the modifications made to the agreement since December took a good idea and refined it into a better one. Dean Golden moved approval of the AAA. Dr. Wilding seconded the motion and it passed unanimously.

9. OPO Rebranding Proposal

A proposal to rebrand the Organ Procurement Organization as "UW Organ and Tissue Donation" was presented by Jill Ellefson, Director, OPO. This rebranding is meant to respond to concerns expressed by partners in the OPO. It will identify the OPO more with the UW than directly with UW Health. Dr. Vidaillet moved approval. Dean Golden seconded the motion and it passed unanimously.

10. Accountable Care Organization

Dr. Jonathan Jaffery provided the Board with an update on the UW Health Accountable Care Organization (ACO). Dr. Jaffery explained the ACO began on January 1 of this year. Dr. Jaffery provided the Board a detailed explanation of how the ACO will function within UW Health.

11. 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.

Rep. Marklein moved that the Board enter closed session. Mr. Basting 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, Rep. Howard Marklein, Dean Katharyn May, Lisa Reardon, and Dr. Humberto Vidaillet. Sen. Luther Olsen, Pablo Sanchez, and Dr. George Wilding were not present at the time of the vote.

The Board unanimously approved a long range financial plan.

The Board took no other action in the closed session.

The meeting adjourned.

Respectfully Submitted,

James C. Dechene, Secretary