

UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY

Minutes of Board of Directors Meeting

February 8, 2012

PRESENT: David Walsh (Chair), Michael Weiden (Vice Chair), Roger Axtell, Jeffrey Bartell, Wendy Dean, Michael Falbo, Richard Fetherston, Dean Robert Golden, Dean Katharyn May, Pablo Sanchez, Dr. Humberto Vidaillet (by telephone), and Dr. George Wilding

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

LIAISONS: Donna Katen-Bahensky

STAFF: Kristi Amelong, Jan Bultema, Mike Buhl, Jim Dechene, Dr. Chris Green, Beth Houlahan, Scott Houtakker, Robert Miller, Jeff Poltawsky, Jay Robaidek, and Ron Sliwinski

GUESTS: Richard 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.

2. Approval of Minutes of December 7, 2011, Authority Board Meeting

Mr. Bartell moved approval of the minutes of the November 2, 2011, meeting. Mr. Falbo seconded the motion and it passed unanimously.

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

Dr. Chris Green, Senior Vice President for Medical Affairs, 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. Approval of Change in ViewRay Project

Ron Sliwinski, Chief Operating Officer, and Mike Buhl, Chief Financial Officer, presented information requesting a change in the ViewRay Project. The ViewRay Project was previously approved by the Board. The ViewRay Technology is an innovative technology that will enhance the treatment of some cancers. UWHC began this project with a start up investment in 2007. Final FDA approval is anticipated this summer. This item was brought before the Board again because construction of the ViewRay vault will cost over \$700,000 beyond budget. It was noted even with these additional costs that the total UWHC investment is much less than other facilities will pay when acquiring this technology. Mr. Weiden moved approval of a resolution approving the changes (Exhibit 1). Mr. Axtell seconded the motion and it passed unanimously.

5. Board Committee Report

Mike Buhl, Senior Vice President and Chief Financial Officer, reported on the Audit Committee meeting. The Committee reviewed the audit plan for 2012-13 and received a compliance update, including a report on the RAC audits. The repayment rate has been about 0.4%.

Mr. Buhl reported that the Finance Committee had examined the summary of the financial report that is in the materials distributed for the CFO report. It also discussed the five year financial plan that is being developed.

6. CFO Report

Mike Buhl did not present the CFO report but it was received as presented.

Net gain from operations for December was \$9.6 million. Net income for December, including non-operating losses, was \$8.1 million. Net gain from operations for the first six months was \$55 million. Net income, including non-operating losses, was \$46.5 million.

7. CEO Report

Donna Katen-Bahensky, President and Chief Executive Officer, provided members with her report. She highlighted her recent visit to TEMPO. Dr. Lee Wilke of UW Health was TEMPO's guest speaker. She indicated she would be the guest speaker in March. She had also met with the Mayor of Madison, Paul Soglin, and discussed UW Health's plans for an east side development. She reported out on two meetings she had with the UHC and the AHA. Finally, she discussed two recently completed recruitments. The first was for Vice President of Facilities. Ralph Turner was selected. He is coming from Washington Center Hospital in the District of Columbia. The second recruitment was for the Vice President of Development, Nursing and Patient Care Services. Sue Rees from UWHC was selected.

8. 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. Falbo seconded the motion. The motion passed with a unanimous roll call vote. The following members voted for the motion: David Walsh (Chair), Michael Weiden (Vice Chair), Roger Axtell, Jeffrey Bartell, Wendy Dean, Michael Falbo, Richard Fetherston, Dean Robert Golden, Dean Katharyn May, Pablo Sanchez, Dr. Humberto Vidaillet (by telephone), and Dr. George Wilding.

The board approved a confidential business arrangement.

The board delegated to its Executive Committee the decision whether to proceed with a another confidential project.

No other action occurred in the closed session.

The meeting adjourned.

Respectfully Submitted,

James C. Dechene, Secretary

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

Approved February 8, 2012

VIEWRAY RENAISSANCE VAULT CONSTRUCTION

Whereas on November 3, 2010, upon recommendation of the UWHC Finance Committee, the Board of Directors of the University of Wisconsin Hospitals and Clinics Authority (UWHC) approved proceeding with the purchase and installation of the ViewRay Renaissance Equipment, including a commitment by UWHC of \$2,800,000 for equipment and approximately \$845,000 for vault construction for a total cost of \$3,645,000;

Whereas the cost of the vault construction is now \$717,500 greater than the previously approved amount, resulting in a total vault cost to UWHC of \$1,562,500 and a total cost to UWHC of \$4,362,500;

NOW THEREFORE,

Upon recommendation of the UWHC Finance Committee, the Board of Directors of the University of Wisconsin Hospitals and Clinics Authority (UWHC) approves increasing the investment for the vault construction related to the installation of the ViewRay Renaissance Equipment to \$1,562,500.