

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

May 11, 2011

**PRESENT:** David Walsh (Chair), Michael Weiden (Vice Chair), Roger Axtell, Tom Basting, Carol Booth, Richard Choudoir, Dean Robert Golden, Mike Huebsch, Dian Palmer, Pablo Sanchez, Dr. Humberto Vidaillet and Dr. George Wilding

**EXCUSED:** Judith Crain, Rep. Howard Marklein, Chancellor Carolyn Martin, Dean Katharyn May, Sen. Luther Olsen and Michael Spector

**LIAISONS:** Donna Katen-Bahensky and Dr. Christopher Green

**STAFF:** Kristi Amelong, Jan Bultema, Mike Buhl, Jim Dechene, Tim Gaillard, Dr. Carl Getto, Ron Gilmore, Mark Hamilton, Scott Houtakker, Lisa Maroney, Robert Miller, Jeff Poltawsky, Renee Rizzo, Sue Sanford-Ring, Mike Sauk, Ron Sliwinski, Patrick Toner, Linda Walton, Dan Weissburg, Terry Wilkerson, Kelly Wilson, and Dustin Wright

**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 April 6, 2011, Authority Board Meeting**

Mr. Axtell moved approval of the minutes of the April 6, 2011, meeting. Dr. Vidaillet seconded the motion and it passed unanimously.

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

Dr. Christopher Green, President of the Medical Staff, presented the Medical Board recommendations concerning medical staff memberships and clinical privileges. Dr. Vidaillet moved that the recommendations be approved. Dean Golden seconded the motion and it passed unanimously.

Dr. Green explained that there were several reapprovals of physicians to use physician assistants that would need to be approved in June so that the physician assistants could continue to practice after June 30. He asked that the Executive Committee be authorized to grant the approval, since the Board does not plan to meet in June. Dr. Vidaillet moved that the Executive Committee be authorized to approve on behalf of the Board the recommendation from the June Medical Board meeting concerning reapproval of physicians to use physician assistants. Mr. Basting seconded the motion and it passed unanimously.

**4. Recess for Meeting of the Governing Body of UWHC Board**

The Board recessed to conduct a meeting of the Governing Body of University of Wisconsin Hospitals and Clinics Board. At the conclusion of that meeting, the Board of Directors reconvened.

## 5. Audit/Finance Committee Reports

Michael Buhl, Senior Vice President and Chief Financial Officer, reported on the Audit Committee. KPMG, the new auditors, presented their audit plan. The Committee received reports on internal audit and compliance activities.

The Finance Committee reviewed the budget and approved moving some operating cash into investments.

## 6. CFO Report

Mr. Buhl referred the Board to the March results distributed with the agenda. There was no oral report.

Net income from operations for March was \$7.7 million. Net income for March, including non-operating income was \$9.6 million. Net gain from operations for year-to-date was \$47.2 million. Net income, including non-operating income, was \$71 million.

## 7. CEO Report

**National Nurses Week.** Donna M. Katen-Bahensky, President and CEO, reported on the events and awards for nurses during the week.

**Recruitment Updates.** Dr. Petros Anagnostopoulos has been selected to be the new Chief of Pediatric Cardiothoracic Surgery. Dr. Andreas Friedl will become the Chair of Pathology on July 1.

**Badger Spring Football Game Ticket Giveaway.** UWHC bought 100 tickets and gave them to employees. There was an excellent turnout.

**Champions for Kids Radiothon.** Last week the Radiothon raised over \$500,000 for American Family Children's Hospital.

**Sing for Children.** Over 900 people participated in the Sing for Children at the Orpheum organized by Mike Sauk. \$50,000 was raised for AFCH.

**Board Retreat.** The Board retreat in June has been cancelled and is being rescheduled on August 24.

## 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 discussion of the FY12 budget including hospital rates, 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. Basting moved that the Board enter closed session. Mr. Weiden 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, Tom Basting, Dean Robert Golden,

Pablo Sanchez, Dr. Humberto Vidaillet and Dr. George Wilding. Mike Huebsch and Dian Palmer were not present at the time of the vote. Carol Booth and Richard Choudoir are non-voting members.

Mr. Weiden moved the approval to proceed with planning on a confidential strategic project. Mr. Basting seconded the motion and it passed unanimously.

No other action was taken in the closed session.

**9. Return to Open Session: Approval of FY 2012 Budget, including Hospital Rates**

The Board resumed its open session as announced in the notice for the meeting. Dr. Vidaillet moved adoption of the resolution approving the FY 2012 budget [see Exhibit 1] and approval of the rate increase. Dr. Wilding seconded the motion and it passed unanimously.

The meeting adjourned.

Respectfully Submitted,

James C. Dechene, Secretary

**BOARD OF DIRECTORS OF THE  
UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY  
(UWHC)**

**RESOLUTION  
APPROVING CAPITAL AND OPERATING BUDGET  
FOR FY 2012 AND HOSPITAL RATE INCREASE**

**WHEREAS**, the Finance Committee of the Board of Directors of UWHC has reviewed the UWHC Capital and Operating Budget for FY 2012 as prepared by management and has recommended its approval to this Board; and

**WHEREAS**, this Board has reviewed the Capital and Operating Budget for FY 2012 as presented by management.

**NOW THEREFORE BE IT RESOLVED THAT,**

The Board of Directors of the University of Wisconsin Hospitals and Clinics Authority approves the Capital and Operating Budget including the fiscal performance targets, hospital rate increase, and other authorizations set forth in the attached Resolution of the Finance Committee approved at its meeting of May 5, 2011.

Approved May 11, 2011

**Finance Committee Recommendation to the UWHC Board  
To Approve Fiscal Year 2012 Capital and Operating Budget**

**WHEREAS**, the Finance Committee of the Board of Directors (Board) of the University of Wisconsin Hospitals and Clinics Authority (UWHC), among other matters, is charged with the review and recommendation to the Board of the annual budget; and

**WHEREAS**, the annual budget in addition to being reflective of the prospective year's anticipated revenues, expenditures, margins and capital costs has embodied within it the attainment and/or maintenance of certain contractual and other financial and investment performance requirements and targets, which for purposes of allowing UWHC management to be given proper guidance throughout the subsequent fiscal year also require specific finance committee approval and further recommendation to the Board for their approval.

**NOW THEREFORE BE IT RESOLVED THAT,**

The Finance Committee of the Board of Directors (Board) of the University of Wisconsin Hospitals and Clinics Authority (UWHC) recommends to the Board that it approve the Capital and Operating budget for fiscal year 2012 as presented by management in its Executive Summary of the Capital and Operating Budget. Included in the budget prepared by management and further specifically recommended by the Finance Committee are the following important UWHC targets, initiatives, commitments and requested authorizations:

1. Authorization to spend \$84.9 million for capital expenditures to be funded from operations.
2. Approval of a 6.0% price increase effective July 1, 2011.
3. Establishment of the target of achievement of an Operating Margin of 5.0%.

Approved May 5, 2011