

Capital Funding Request

Presentation to the UWHCA Board

September 5, 2012

UWHealth

Capital Funding Request

The Finance Committee and Board approved \$126m of capital funding for FY 2013. Of that amount approximately \$40m was for routine replacement items. The amount of the requests far exceeded the \$40m of funding.

Our process for prioritizing capital is for the Directors and VPs to review their requests with their physician partners and individually prioritize within their department. This was a difficult year in that there were many items that did not make the \$40m cut off. In an effort to improve the process going forward we are asking departments to assess their capital needs over a 3-5 year period. This effort along with adequate funding level for replacement items will help solve this issue.

There are a couple of areas and specific capital items that we feel should be funded this year that were not in the original approval. Radiation Oncology has a 12 year old Linac that needs to be replaced. Radiology has 3-5 items that are at the end of their useful lives. Nursing, Facilities and IT are other departments that have some urgent needs. The following is a summary of those areas:

a. Radiation Oncology	\$ 5.0m
b. Radiology	1.0m
c. Nursing, Facilities, IT	2.0m
Total	<u>\$ 8.0m</u>

We are requesting approval to increase the FY 2013 capital funding by \$8m. The operating margin for FY 2012 was approximately \$40m above budget. This will provide the source of funding for the \$8m.

UWHealth

RESOLUTION MODIFYING FY 2013 CAPITAL BUDGET

Submitted September 5, 2012

WHEREAS, the Board of Directors of the University of Wisconsin Hospitals and Clinics Authority (UWHCA) approved the FY 2013 Capital Budget on June 6, 2013;

WHEREAS, the UWHCA has the funds and needs to make additional capital expenditures in FY 2013;

WHEREAS, the Finance Committee has recommend that the capital budget be increased by \$8 million and additional items be added to as approved capital budget items;

NOW, THEREFORE,

The Board of Directors of UWHCA approves:

- (1) increasing the authorized capital budget for FY 2013 by \$8 million;
- (2) adding replacement of the 12 year old Linac in radiation oncology as an approved capital budget item (approximately \$5 million).
- (3) adding replacement of three to five items in Radiology approved by the CEO as approved capital budget items (approximately \$1 million).
- (4) adding urgent needs of nursing, facilities and information technology approved by the CEO as approved capital budget items (approximately \$2 million).