

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

August 7, 2013

- PRESENT: David Walsh (Chair), Tom Basting, Rick Fetherston, Dean Robert Golden, Representative Howard Marklein, Dean Katharyn May, Janice Mueller, Senator Luther Olsen, and Dr. Humberto Vidaillet (by teleconference)
- EXCUSED: Michael Weiden (Vice-Chair), Chancellor Rebecca Blank, Wendy Coomer, Regina Millner, Lisa Reardon, Pablo Sanchez
- LIAISONS: Donna Katen-Bahensky, Dr. Nathan Rudin
- STAFF: Kristi Amelong, Mike Buhl, Jan Bultema, Jim Dechene, Dr. Chris Green, Beth Houlahan, Dr. Peter Newcomer, Jay Robaidek, Sue Sanford-Ring, John Sheehan, Ron Sliwinski, Dan Weissburg, and Kelly Wilson
- GUESTS: Tim Stumm, Wisconsin HealthNews

1. Call to Order

Chair David Walsh called the meeting to order at 1:30 p.m. A quorum was present. Mr. Walsh introduced new Board member Janice Mueller, who is an appointee from the Board of Regents and former State Auditor. Donna Katen-Bahensky introduced John Sheehan, new Senior Vice President for the University of Wisconsin Hospitals and Clinics Authority (UWHCA) and President, UW Health at The American Center.

2. Approval of Minutes of June 5, 2013 Authority Board Meeting

Mr. Basting moved approval of the minutes of the June 5, 2013 meeting (Attachment A). Senator Olsen seconded the motion, and it passed unanimously.

3. Review and Approval of Amendments to Medical Staff Bylaws

Dr. Nathan Rudin, Chair of the Medical Board and President of the Medical Staff, presented the proposed amendments (Attachment B) to the Medical Staff Bylaws, which were previously approved by the Medical Staff on June 28, 2013. Senator Olsen moved approval of the Amendments to the UWHCA Medical Staff Bylaws. Mr. Fetherston seconded the motion, and it passed unanimously.

4. Review and Approval of Medical Staff Memberships and Clinical Privileges

Dr. Rudin presented the Medical Board recommendations concerning medical staff memberships and clinical privileges (Attachment C). Dean May moved that the recommendations be approved. Mr. Basting seconded the motion, and it passed unanimously.

5. Election of Officers

Senator Olsen moved, and Dean May seconded, the following slate of officers of UWHCA for a term beginning August 7, 2013 (Attachment D):

Chair – David Walsh

Vice Chair – Michael Weiden

Secretary – James Dechene

Assistant Secretaries – Janice Bultema, Claire Finando, Tiffany Roepsch, and Kelly Wilson

The motion passed unanimously.

6. Board Committees and Membership — Approval of Members of Executive Committee

Agenda item # 6 was deferred. It was noted that a number of new Board members have been added recently, and that the Executive Committee will be discussing new committee assignments for the Board members. Recommendations for committee assignments will be brought to a future meeting for the full Board's consideration.

7. Approval of Clinical Service Chiefs

Senator Olsen moved, and Dean May seconded, that a submitted slate of candidates (Attachment E) be approved as clinical service chiefs for UWHCA. The motion passed unanimously.

8. Community Benefits Report

Juli Aulik, Director, Community Relations, presented the Board with UWHCA's annual Community Benefits Report (Attachment F). This report publicly discloses, beyond traditional delivery of health care, benefits that UWHC provides the community over the course of the year. Most hospitals began providing this information to the Wisconsin Hospital Association so that information could be shared with the state to show the benefits provided by these non-profits. UWHCA leads the state in providing community benefits totaling \$125,306,600, which represents a 9% increase over the prior year. While UW Medical Foundation does not report its community benefits to WHA, it also contributed \$98.8 in community benefits over the last year.

9. Board Committee Reports

Mike Buhl, Chief Financial Officer, reported that the Audit Committee had met earlier in the day. The Committee reviewed a number of audits that had been done by the Internal Audit department in a variety of areas, including clinical equipment maintenance, how carve outs are paid to insurance companies, employee license issues, and payroll processes. No significant deficits were found in any of the audits. Mr. Buhl shared that Compliance Officer Dan Weissburg reported at the Audit Committee on recent results from Medicare Recovery Audit Contractors (RAC) audits. With respect to coding issues, the results were very positive; with UWHCA in net receiving a small refund. Opportunities for improvement were identified in the areas of medical necessity and designation of inpatient versus outpatient short stays. However, a number of these findings are, and will continue to be, appealed, with a high success rate on appeal.

Mr. Buhl also reported on the Finance Committee meeting from earlier in the day, which focused on reviewing UWHCA's investments with Baird and the UW Foundation, who hold 30% and 37% of UWHCA's investments, respectively. In short, UWHCA's performance exceeded benchmark performance. Mr. Buhl indicated that he would be bringing an investment policy addressing, short-, mid- and long-term investments to the November meeting.

10. CFO Report

Mr. Buhl presented the Board with the CFO Report (Attachment G). There has been a bit of softness in recent volume. The transfer of regional patients has remained high. A shift over the last year in charges to different insurance companies was reviewed. There was also a discussion that while volume in each quarter has seen little change there has been a steady decline in operating margin. Mr. Buhl did explain that this decline was not as dramatic in the fourth quarter as may have appeared because there were a number of one-time costs. The FY 2014 projections still show the hospital making the budgeted margins. Mr. Buhl also explained that the substantial loss in investments for the month of June was primarily due to a significant decline in the bond market.

11. CEO Report

Donna Katen-Bahensky, President and CEO, gave the CEO Report (Attachment H). She started by mentioning a recent newspaper story about a large kidney transplant chain that involved UWHC. She also mentioned a ceremony from the previous weekend that dedicated a bench in honor of the staff members lost in a Med Flight accident five years ago. She also highlighted the hiring of Dr. Pete Newcomer as the new UW Health Chief Ambulatory Medical Officer. Ms. Katen-Bahensky was pleased to report that three critical areas in the hospital recently received re-verification, including the Burn Center, the Level 1 Trauma Center for adults and kids, and the Breast Center. Ms. Katen-Bahensky highlighted some new dining areas at the hospital that will benefit both employees and patients by making outdoor areas more welcoming and healing. Finally, Ms. Katen-Bahensky announced American Family Children's Hospital was once again recognized in a number of specialties as a leader in the country in *US News and World Report*, and that UW Hospital was again named the number one hospital in Wisconsin.

12. Other Matters

No other matters were discussed.

13. 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.

Senator Olsen 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), Tom Basting, Rick Fetherston, Dean Robert Golden, Rep. Howard Marklein, Dean Katharyn May, Janice Mueller, Senator Luther Olson, and Dr. Humberto Vidaillet.

The Board took no other action in the closed session.

At 4:15 p.m., Mr. Basting moved to adjourn the meeting; Dean May seconded the motion, and there was a unanimous vote to adjourn.

Respectfully Submitted,

James C. Dechene, Secretary