

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

September 1, 2010

PRESENT: David Walsh (Chair), Michael Weiden (Vice Chair), Roger Axtell, Tom Basting, Carol Booth, Richard Choudoir, Judith Crain, Sen. Jon Erpenbach, Dean Robert Golden, Rep. Cory Mason, Dean Katharyn May, Dian Palmer, Pablo Sanchez, Dan Schooff, Michael Spector (by telephone), Dr. Humberto Vidaillet, and Dr. George Wilding

EXCUSED: Chancellor Carolyn Martin

LIAISONS: Donna Katen-Bahensky and Dr. Christopher Green

STAFF: Kristi Amelong, Mike Buhl, Jim Dechene, Dr. Carl Getto, Tim Gaillard, Mark Hamilton, Connie Kinsella, Dr. Fred Lee, Robert Miller, Mary O'Connell, George Pilcher, Jeff Poltawsky, Renee Rizzo, Sue Sanford-Ring, Mike Sauk, Kari Schrage, Ron Sliwinski, Linda Walton, Dan Weissburg, Terry Wilkerson, Kelly Wilson, Dustin Wright, and Beth Zaher

**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 1:37 p.m. A quorum was present.

The Chair permitted representatives from the Service Employees International Union (SEIU) to address the Board regarding current negotiations.

**2. Approval of Minutes of July 7, 2010, Authority Board Meeting**

Mr. Sanchez moved approval of the minutes of the July 7, 2010, meeting. Mr. Axtell seconded the motion and it passed unanimously.

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

Donna Katen-Bahensky, President & CEO, introduced the new President of the Medical Staff Dr. Chris Green. Dr. Green presented the Medical Board recommendations concerning medical staff memberships and clinical privileges. Mr. Axtell moved that the recommendations be approved. Mr. Weiden seconded the motion and it passed unanimously.

**4. Resolution: Michael Bentz, M.D.**

Mr. Walsh read a proposed resolution of the Board thanking Dr. Michael Bentz for his service as President of the Medical Staff [Exhibit 1]. Mr. Weiden moved approval. Dr. Wilding seconded the motion and it passed unanimously.

**5. Action: Approval of Digestive Health Center and Generations Joint Venture**

Michael Buhl, Senior Vice President and Chief Financial Officer, described the proposed Digestive Health Center. UWHC will own 80% and the UWMF will own 20%. The initial facility

investment will be about \$14.5 million. It is expected that this new facility would open in 2013. The Finance Committee recommends approval.

Mr. Buhl described the proposed Generations joint venture to continue to provide reproductive endocrinology and fertility services that are being moved out of the Clinical Sciences Center. Generations has a new facility that will open in September 2010. The entities involved in the joint venture will together contribute \$1.8 million. The Finance Committee recommends approval.

There being no need for a closed session discussion of the proposals, Mr. Axtell moved approval of the Digestive Health Center resolution [Exhibit 2]. Dr. Wilding seconded the motion and it passed unanimously.

Dean Golden moved approval of the Generations Program resolution [Exhibit 3]. Ms. Crain seconded the motion and it passed unanimously.

**6. Action: Approval of Wisconsin Therapies, Inc, Board of Directors Appointment**

Dean Golden moved approval of the resolution appointment Ron Sliwinski to the Board of Directors of Wisconsin Therapies, Inc. [Exhibit 4]. Dean May seconded the motion and it passed unanimously.

**7. Board Committee Reports**

Dean May stated that the report of the Performance Improvement, Risk Management and Safety Committee (PIRMS) would be in closed session.

Mike Buhl, Senior Vice President and Chief Financial Officer, reported on the meeting of Finance Committee that reviewed the proposal for the Digestive Health Center, FY2010 year-end results and July 2010 results.

Mr. Buhl reported that the audit committee received a report from Scott Houtakker, Director of Internal Audit for UWHC, as well as, an update on the Recovery Audit Contractor (RAC) program, which identifies inaccurate Medicare payments - both overpayments and underpayments. The Committee also met the external auditors for preliminary review of the 2010 audit. There are no adjustments and a clean audit is expected for FY2010.

**8. CFO Report**

Mr. Buhl reviewed final fiscal year results for FY2010. Adult admissions and both adult and pediatric clinic visits finished the year above plan, with pediatric admissions below plan reflecting the higher acuity of pediatric inpatients which resulted in a longer length of stay. Surgical activity finished the year at 3.8% above plan, while transplant volumes were below plan. There was a marked increase in activity for the electrophysiology lab, radiology procedures were mixed and radiotherapy procedures were 13% over budget. UWHC ended the year with a 5.7% margin.

Mr. Buhl also reviewed operating results for July 2010. Adult inpatient activity and surgical procedures including transplants were favorable to plan. Outpatient clinic visits were below plan. UWHC saw a high number of transfers from the region, matching trends for July for the last three calendar years. Expenses were just slightly above budget as were payroll expense,

while supply and other expenses were under budget.

Net gain from operations for FY 2010 was \$56.8 million. Net income, including non-operating income, was \$70.0 million. Net gain from operations for July was \$7.8 million. Net income, including non-operating income, was \$11.9 million.

## **9. CEO Report**

**Appointments.** Ms. Katen-Bahensky, introduced Timothy M. Gaillard, Vice President, Professional Services. She also introduced two interim leadership appointees - Sue Sanford-Ring, Interim Vice President of Quality, and Linda Walton, RN, Interim Vice President of Patient Care Services and Interim Chief Nursing Officer. She announced reassignment of responsibility for three services lines - Mike Buhl, heart, vascular & thoracic service line, Ron Sliwinski, transplant and digestive disease service lines, and Carl Getto, oncology and breast center service lines.

**Accreditation.** UWHC was surveyed for Joint Commission Disease Specific Certification for the Ventricular Assist Device on August 23-24 with a preliminary report of program recertification. The Blood and Bone Marrow Transplant (BMT) Center has been re-credentialed through 2012 as a Center of Excellence Transplant Program by Anthem Blue Cross and Blue Shield. This important designation is based on BMT patient volume and survival, quality initiatives, data reporting, transplant facilities and staff and participation in clinical trials.

**American Family Children's Hospital.** The new Infant, Early Childhood and Family Mental Health Postgraduate Certificate Program was launched with an event that welcomed T. Berry Brazelton, MD, for a series of talks, grand rounds and meetings. The Meta-iodobenzylguanidine (MIBG) Treatment Unit, a specialized treatment unit for neuroblastoma, is treating its first patient. AFCH is one of just a handful of pediatric hospitals in the U.S. to open a specialized unit for this treatment, the fourth most common childhood cancer.

### **National Recognitions.**

- UWHC ranked in the top 50 US hospitals in seven medical specialties, according to the 2010 edition of U.S. News and World Report's "America's Best Hospitals" guide. The areas recognized were, Cancer, Kidney Disease, Ear, Nose and Throat, Orthopedics, Geriatrics, Pulmonology and Urology.
- UWHC was named one of the nation's MOST WIRED and MOST WIRELESS hospitals in the 2010 Most Wired Survey in *Hospitals & Health Networks* magazine.
- Unity Health Insurance was reaccredited with "Excellent" Accreditation from the National Committee for Quality Assurance (NCQA).

**Educational Support Scholarships.** Valerie Finney, Senior Health Information Specialist in records circulation, and Angela Thomas, Pharmacist Assistant in the Drug Policy Program, received of the Education Support Scholarship. This scholarship was introduced in 2010 and provides a \$500 award to offset the cost of textbooks, lab fees and other program-related expenses not covered by the UWHC tuition reimbursement program.

**Heart Walk.** For the ninth consecutive year, UW Health is pleased to sponsor the American Heart Association's South Central Wisconsin, Heart Walk on October 23.

**National Kidney Foundation Transplant Games.** Highlights from the recent National Kidney Foundation Transplant games were presented. Ms. Katen-Bahensky expressed appreciation to

those who helped make the event a success.

**10. 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. Basting moved that the Board enter closed session. Ms. Palmer 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, Carol Booth, Richard Choudoir, Judith Crain, Sen. Jon Erpenbach, Dean Robert Golden, Rep. Cory Mason, Dean Katharyn May, Dian Palmer, Pablo Sanchez, Dan Schooff, Dr. Humberto Vidaillet, and Dr. George Wilding. Mr. Spector was not participating in the meeting at the time of this vote. Carol Booth and Richard Choudoir are non-voting members.

The Board voted to approve resolutions concerning confidential peer review matters.

No other action was taken in the closed session.

The meeting adjourned.

Respectfully Submitted,

James C. Dechene, Secretary

**RESOLUTION OF BOARD OF DIRECTORS OF  
THE UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY IN  
RECOGNITION OF THE SERVICE OF MICHAEL BENTZ, M.D.**

**September 1, 2010**

WHEREAS, Michael Bentz, M.D., has served as President of the University of Wisconsin Hospitals and Clinics medical staff from 2008-2010;

WHEREAS, Michael Bentz, M.D., continues to extend excellent leadership to the medical staff as Chief of Division of Plastic Surgery in the Department of Surgery;

WHEREAS, Michael Bentz, M.D., continues to serve as program director of Plastic Surgery residency;

WHEREAS, Michael Bentz, M.D., has been a leading voice in articulating the strategic vision for integration within UW Health; and

WHEREAS, Michael Bentz, M.D., continues to serve as a role model for medical leadership in UW Health.

**NOW THEREFORE BE IT RESOLVED** that the Board of Directors and the management of the University of Wisconsin Hospitals and Clinics Authority extend their thanks to Michael Bentz, M.D., for his leadership and exemplary work on behalf of UWHCA, its patients and its medical staff.

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

**Approved September 1, 2010**

**DIGESTIVE HEALTH CENTER**

Upon recommendation of the UWHC Finance Committee, the Board of Directors of the University of Wisconsin Hospitals and Clinics Authority (UWHC) approves proceeding with a Digestive Health Center, including a commitment by UWHC of up to \$15 million for equipment and leasehold improvements and a commitment of annual building lease payments of approximately \$1.5 million per year for 12 years.

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

**Approved September 1, 2010**

**GENERATIONS PROGRAM**

Upon recommendation of the UWHC Finance Committee, the Board of Directors of the University of Wisconsin Hospitals and Clinics Authority (UWHC) approves the participation of UWHC in a business joint venture for the operation of the Generations program. The Board approves either a 50%/50% venture with the University of Wisconsin Medical Foundation ("UWMF"), or a 33%/33%/33% venture with UWMF and Meriter Hospital. Each of the entities involved in the venture will share equally in the operating gains and losses of the venture. Approval is given to commit up to \$900,000 in initial capital to the venture split approximately equal between capital and working capital.

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

**Approved September 1, 2010**

The Board of Directors of the University of Wisconsin Hospitals and Clinics Authority approves the following person as a Director of Wisconsin Therapies, Inc. to replace Maureen McCausland:

Ronald T. Sliwinski, Sr. VP/COO