

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Business & Finance Committee

Via Zoom Videoconference

Thursday, September 17, 2026

10:30 a.m. – 11:30 a.m.

- A. Calling of the Roll
- B. Declaration of Conflicts
- C. Approval of the Minutes of the August 20, 2026 Meeting of the Business & Finance Committee
- D. Approval of Amendments to the Integration Agreement between UW Hospital and Clinics Authority and the UW Medical Foundation

**AMENDMENTS TO THE INTEGRATION AGREEMENT BETWEEN
UW HOSPITAL AND CLINICS AUTHORITY AND
THE UW MEDICAL FOUNDATION**

REQUESTED ACTION

Adoption of Resolution D.

Resolution D. That, upon the recommendation of the Interim Chancellor of the University of Wisconsin-Madison and the Interim President of the University of Wisconsin System, the Board of Regents approves the amendments to the Integration Agreement between UW Hospital and Clinics Authority and UW Medical Foundation.

SUMMARY

The University of Wisconsin-Madison, including the School of Medicine and Public Health (UW SMPH), has enjoyed a longstanding, strong partnership with its academic health system partner, UW Hospital and Clinics Authority, including its subsidiary company UW Medical Foundation (UWH). UWH by-laws state that its role and purpose are the commitments to the tripartite mission: delivering high-quality healthcare, in an environment suitable for instructing medical and other health professions students, and enabling research in the delivery of care, all to reduce suffering, prevent disease and promote health across the State of Wisconsin.

In June 2015, the Board of Regents approved an Integration Agreement incorporating the UW Medical Foundation into UWH. This realignment elevated the partnership between UW SMPH and UWH by aligning leadership, integrating operations and an initial streamlining of administrative support and financial processes.

At its June 2016 meeting, the Board approved amendments to the Integration Agreement that aggregated support of the University of Wisconsin School of Medicine and Public Health ("SMPH") provided by UWMF and UWHCA into a fixed annual payment with annual escalator. Although the Board of Regents was not a party to the Integration Agreement, amendment of the provisions related to academic and research support of SMPH required Board of Regents approval according to the terms of the Agreement.

In 2024, the UW-Madison Chancellor, CEO of UWH, and Dean of SMPH came together to launch a collective review of the academic health system's financial model, referred to as funds flow. The goal of this review was to identify ways to strengthen the alignment of the collective enterprise to elevate its position nationally across all three missions. The parties engaged The Chartis Group to benchmark performance, which confirmed the adequacy of support and identified opportunities to align and streamline the funding approach.

With these insights, the parties collaborated to revise the funds flow model to align incentives and support strategic decision making. This revised funds flow approach is an evolution of the model established with the initial Integration Agreement in 2015 and the amendments approved in 2016. The revised funds flow model provides:

- Guaranteed academic funding to UW SMPH and predictability of that funding for UWH, benefiting financial planning and strategic investing for both partners
- Growth of this support in alignment with the health system revenue, ensuring full commitment to the growth of the clinical mission
- Guardrails and routine reviews to ensure the funds stay in balance and the model stays relevant with industry trends in academic health system funding approaches
- Academic leadership determination of academic priorities and allocation of funds to support these goals
- Agreed upon guaranteed incentive payouts and other terms to support a smooth transition
- A ten-year term with a required review at five years, along with established financial calculations that prompt a review and discussion across parties if triggered.

Implementing the changes requires amending the Integration Agreement and execution of a new Structured Academic and Research Support Agreement directly between UWH and the Board. Because these transactions have the effect of modifying the funds flow model that was formerly subject to Board of Regents approval under the Integration Agreement, SMPH now requests approval from the Board of Regents to amend the Integration Agreement as summarized above.

Presenters

- Rob Cramer, Vice Chancellor for Finance and Administration, UW-Madison
- Nancy Lynch, Vice Chancellor for Legal Affairs, Compliance, and Enterprise Risk Management, UW-Madison