

**BOARD OF TRUSTEES
RESOLUTION**

Number: R12- 100

Subject: Approval of Subsidiaries of Shands Teaching Hospital and Clinics, Inc. and Shands Jacksonville Medical Center, Inc.

Date: May 3, 2012

Whereas, Section 1004.41(4) (e) and (5) (a), Florida Statutes, permits Shands Teaching Hospital and Clinics, Inc. (“Shands Gainesville”) and Shands Jacksonville Medical Center, Inc. (“Shands Jacksonville”) to create subsidiaries and affiliates in furtherance of their mission, with approval of the University of Florida Board of Trustees; and

Whereas, legislation and regulations administered by the Florida Agency for Health Care Administration (“AHCA”) permit certain Medicaid-funded health services to be provided through managed-care organizations called, “Provider Service Networks” (“PSN”) and AHCA approves the governance structure and operations of such PSNs, and there may be other government agencies whose approval is needed for these or certain other managed care arrangements; and

Whereas, to compete successfully in furtherance of their mission in the health care marketplace under such legislation, AHCA regulations, and potentially other government agency regulations or requirements, in a Medicaid-reform environment, Shands Gainesville and Shands Jacksonville seek to form legal entities to operate PSNs and other arrangements through which University of Florida Health Science Center faculty will deliver health services; and

Whereas, in 2006, Shands Jacksonville Medical Center, Inc. received approval of its PSN as an operating division (not as a separate entity) and now seeks to form a Limited Liability Company or other subsidiary for this purpose; and

Whereas, in 2011 Shands Teaching Hospital and Clinics, Inc. formed a Limited Liability Company to pursue approval of a PSN; and

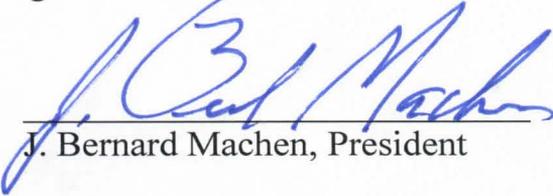
Whereas, Shands Jacksonville and Shands Gainesville now seek to form one or more Limited Liability Companies or other subsidiaries to hold the PSN or similar contracts with ACHA and/or other government agencies and the physician service provider network contracts (through which Medicaid funds flow and medical services are provided), which will facilitate the provision of efficient shared administrative and operational services; and AHCA's initial review of this governance structure has been favorable;

Now, Therefore, the University of Florida Board of Trustees adopts the following resolutions at its duly called meeting of May 3, 2012:

RESOVLED: That Shands Gainesville and Shands Jacksonville are each authorized to form such Limited Liability Companies or other subsidiaries to act and operate as PSNs and provider networks for the delivery of health care services as the President of the University of Florida (or, if designated by the President, the UF Senior Vice President for Health Affairs) may determine are appropriate and convenient , and that such Limited Liability Companies or other subsidiaries may be formed directly by Shands Gainesville and Shands Jacksonville or through other entities they and/or any practice plan of faculty from the University of Florida Health Science Center manage or control; and

RESOLVED: That any faculty or practice plan of faculty from the University of Florida Health Science Center may participate in the creation and/or operation of any such Limited Liability Companies, subsidiaries, PSNs and provider service networks; and

RESOLVED: That the President of the University of Florida and, if designated by the President, the UF Senior Vice President for Health Affairs, and each of them acting singly, are hereby authorized to approve any related organization, management, operations, financial and other documents that they determine are reasonable or necessary to create, operate, and/or to obtain associated AHCA, other government agency, and other approvals for, such Limited Liability Companies, other subsidiaries, PSNs and other provider service networks and to directly (or to authorize others to) make any associated filings and take associated actions.


J. Bernard Machen, President