

**The University of Texas Health Center at Tyler**

**Compact with The University of Texas System  
FY 2006 through FY 2007**

## I. Introduction – Institution Mission and Goals

The University of Texas Health Center at Tyler (UTHCT) occupies a unique place in the medical history of East Texas. Originally established as the East Texas Tuberculosis Sanitarium in 1947, UTHCT was renamed the East Texas Chest Hospital in 1971. In 1977, UTHCT joined The University of Texas System and has been a teaching hospital within the UT System since that date. UTHCT is the only UT health institution that is located in a poor, rural segment of Texas, which presents unique challenges and opportunities. UTHCT is focused on initiatives dealing with infectious diseases and biohazard research, aging issues and chronic care of the elderly, and children with childhood lung diseases and cystic fibrosis.

### ***Mission Statement***

**To serve East Texas and beyond through excellent patient care and community health, comprehensive education, and innovative research.**

**Excellent Patient Care and Community Health:** UTHCT consists of an acute care hospital, 18 hospital-based outpatient clinics, an emergency care center – and all medical services for each provided under one roof. As a safety net hospital, UTHCT sees almost 140,000 outpatient visits and almost 4,000 inpatient admissions each year. In addition, there are 10 off-site clinics in which UTHCT physicians provide primary healthcare, cardiology care, and pulmonary care. Through the Texas Department of Health, UTHCT is now responsible for coordinating statewide in-patient management of tuberculosis and offers special expertise in the management of atypical mycobacterial lung diseases.

**Comprehensive Education:** UTHCT has developed residency programs in Family Medicine and Occupational Medicine. In collaboration with other higher education institutions, UTHCT offers three joint Masters degree programs. Also, UTHCT has formal collaborative agreements with area nursing schools and other higher education institutions for nursing students, allied health students, and medical students to complete their respective clinical rotations and healthcare training. These collaborations allow UTHCT faculty to serve in adjunct faculty roles.

**Innovative Research:** UTHCT has a growing biomedical research program whose researchers have won national acclaim for their various research endeavors. UTHCT is known for its reputation in the investigation of pulmonary and infectious lung diseases. UTHCT research programs include basic translational and clinical research programs that are funded by extramural sponsor from biotechnology and pharmaceutical firms and from the National Institutes of Health.

### ***Vision***

We will be a great institution, unified in common purpose, to benefit human health and to improve the quality of life.

### ***Values***

<b>Excellence:</b>	I will work every day to improve UTHCT and the job that I do.
<b>Servant Leadership:</b>	I will put the needs of our patients and my co-workers first.
<b>Diversity:</b>	I will respect and appreciate diversity in ideas, peoples, and cultures.
<b>Accountability:</b>	I will use the resources of UTHCT wisely.

## II. Major Ongoing Priorities and Initiatives

### A. Short-term Goals

1. **Become a more academic institution through the expansion of educational programs and research**

## **Objective**

To establish the UT Health Center at Tyler as the regional academic health center for health/medical education and technology.

## **Strategies**

To meet that objective, UTHCT has undertaken the following initiatives:

- a. Develop and sustain a strong relationship with UT Tyler to optimize the return on the state's investments in education, research, and service at both institutions – UTHCT is collaborating with UT Tyler to form a strategic educational alliance between UT Health Center at Tyler and UT Tyler to make UTHCT and UTT the major teaching entity in health sciences and biotechnology in East Texas. Other collaborations with UTT include joint recruiting of faculty to support education and research activities at both institutions.
- b. Develop and enhance a portfolio of advanced medical training programs – UTHCT is developing strategies to attract quality Family Practice and Occupational/Environmental Medicine residents to meet current match levels and to ensure stability of current external residency sites. Medical students, nursing students, and allied healthcare students from other institutions of higher education currently participate in existing training rotations offered at UTHCT. UTHCT is developing strategies to increase the participation levels of those students. It is also collaborating with the Lake Country Area Health Education Center in East Texas (AHEC) to increase high school student interest in healthcare professions.
- c. Develop and enhance the graduate/allied health programs – UTHCT is evaluating its affiliation with Stephen F. Austin University and Texas A&M University in reference to the joint master's degrees in which UTHCT participates. UTHCT is developing efforts to provide support for and generate interest in health careers in East Texas. It is also working to increase the number of residents and other healthcare students who rotate through the training programs currently being offered at UTHCT. UTHCT provides faculty development programs for all qualified staff interested in teaching in health professional programs.
- d. Develop a comprehensive health education program for UTHCT faculty and staff and for external partners – UTHCT uses the Northeast Texas Consortium (NETnet) to enhance UTHCT education strategies and to explore other business partners for the purpose of expanding community health and telemedicine. Through NETnet, UTHCT offers medical, nursing, and other healthcare-related training to hospitals and institutions of higher education in this region, and UTHCT hopes to expand that training. UTHCT seeks to become a preferred training site for nursing and allied health professionals.
- e. Develop a strategy to become a degree-granting institution – UTHCT is requesting approval from the UT System, the 79th State Legislature, and the Higher Education Coordinating Board to issue degree-granting authority to UTHCT. Limited degree-granting authority for UTHCT will enhance and increase the educational opportunities for students in East Texas and UTHCT's credibility as an academic institution.

## **Resources**

- a. Increase state funding for educational programs.
- b. Increase philanthropic support.
- c. Expand indirect research revenues.
- d. Increased profitability of UTHCT hospital operations and faculty practice plan.

## **Progress Measures**

- a. Secure a strategic educational alliance between UT Health Center at Tyler and UT Tyler to make UTHCT and UT Tyler the major teaching entity in health sciences and biotechnology in East Texas.
- b. Legislative approval for degree-granting authority for UTHCT.
- c. Identify specific sites on UTHCT campus to conduct educational activities.
- d. Identify funding sources and establish budgets for educational programs at UTHCT.

- e. Increase number of trainees who obtain educational training through UTHCT programs by 25 percent.
- f. Expand the Northeast Texas Network Consortium (NETNet) activities and services.
- g. Participate in the UT Telecampus with UTHCT educational programs.

**UPDATE:**

- The 79th Texas Legislature approved UTHCT's degree-granting initiative, and the Governor signed this bill on June 1, 2005.
- UTHCT plans to submit its planning authority request to the Texas Higher Education Coordinating Board at or before its October 2005 Quarterly Board Meeting. UTHCT has begun researching the Southern Association of Colleges and Schools (SACS) accreditation requirements.
- Once UTHCT obtains approval from the Coordinating Board and achieves accreditation, then UTHCT will transition its current collaborative degrees with Stephen F. Austin University and UT Tyler into joint degrees, so that UTHCT's name will also appear on the students' diplomas.
- UTHCT continues its strong relationship with UT Tyler to optimize the return on the state's investments in education, research, and service at both institutions.
- UTHCT attracted its complement of 2005 Family Medicine residents (total 7).
- For the Occupational Medicine residency program, UTHCT filled the remaining available slot as of July 1, 2005. That slot was filled on December 15, 2004, by a candidate who is completing a residency in Family Practice at the PG-2 level. Since most Preventive Medicine Residency Programs do not offer a PG-1 year for medical school graduates, admissions generally take place at the PG-2 or PG-3 levels.

**Obstacles**

- a. Winning support of the UT System Board of Regents for educational program expansion.
- b. Convincing legislature of need for this necessary academic program in East Texas.
- c. Obtaining adequate collaborative support from other UT institutions.
- d. Lack of student housing.
- e. Finding funds to support educational expansion.
- f. Adequate classroom, lab, and educational facilities.

**2. Improve quality and customer service satisfaction**

**Objectives**

UTHCT recognizes the importance of quality and customer service satisfaction in order to retain its current patient base and to attract new patients. UTHCT has implemented satisfaction programs directly related to quality and customer service. Each program has outlined objectives, strategies to implement, and required resources.

**Strategies**

*Quality Satisfaction*

- a. Create a more patient-safe environment and limit costs attributable to medical errors.
- b. Improve cardiovascular surgery outcomes: To improve these outcomes, UTHCT has partnered with a new cardiothoracic surgical provider group that uses standardized evidence-based order sets. A more multi-disciplinary approach to managing the patient care process and clinical pathways will be implemented.
- c. Improve care provided to congestive heart failure and pneumonia patients: To improve care provided to these patients, UTHCT has expanded the use of evidence-based order sets and has improved patient education and the discharge planning process.
- d. Optimize management of ICU patients care.
- e. Support the development of evidence-based case protocols.

*Customer Service Satisfaction*

- a. Improve patient satisfaction with inpatient care: During 2004, UTHCT expanded its efforts toward improving customer service by establishing the position of Customer Service Manager and by creating a committee structure accountable to the President to plan and monitor customer service activities. The inpatient meal program has been totally overhauled to address patient needs. All inpatient departments have adopted specific customer service goals that are relevant to their department (e.g., labs=turnaround time).
- b. Improve patient satisfaction with outpatient care.
- c. Improve patient satisfaction with the Emergency Care Center.
- d. Improve employee satisfaction and perception.
- e. Improve satisfaction with service and support departments.

**Resources**

- a. Additional quality staff to monitor quality measures and outcomes (2.5 FTEs).
- b. Nursing and ancillary staff training to improve skill and competency.
- c. Physician leadership time to develop revised care models and to reorganize faculty responsibilities.
- d. Staff time to develop and implement corrective action plans.
- e. New hospital information system.
- f. System funds to improve patient safety.

**Progress Measures**

- a. Documentation of monitoring of event report rates – rate of actual versus close call events.
- b. Implement JCAHO certification and clinical outcome measures appropriate to specific diseases.
- c. Reduced lengths of stay using Medical Information Data System (MIDS) comparative database, Texas Health Care Information Council (THCIC) data, and public sources.
- d. Improved performance on JCAHO core measures.
- e. Improved Press-Ganey Patient Satisfaction Scores on Inpatient, Outpatient, and ER Surveys.
- f. Initiate Press-Ganey Employee Perception Survey to be conducted annually.

**UPDATE:**

*Quality Satisfaction*

- a. Create a more patient-safe environment and limit costs attributable to medical errors.
  - 1. Interventions.
    - a. Increase the number of Root Cause Analyses conducted.
    - b. Engage staff in conducting RCAs.

<b>RCAs Conducted</b>	<b>No.</b>	<b>No. led by staff</b>
FY 2003	4	0
FY 2004	4	0
FY 2005 YTD	7	3

- 2. Educate staff on patient safety tools and techniques.

<b>Educational Program</b>	<b>Date</b>	<b>Intended audience</b>
Root Cause Analysis	September 17, 2004	Managers and front line supervisors
Rapid Performance Improvement and RCA techniques	December 17, 2004 March 7, 2005 March 14, 2005	Directors, manager and front line supervisors

3. Raise patient safety awareness among staff and patients.
  - a. Used a multidisciplinary group of UTHCT frontline employees to produce a patient safety brochure to be reviewed by the nurse with the patient.
  - b. Promoted a contest for best close call reports to increase reporting of close calls sponsored by the Join Hands for Patient Safety group.

- b. Improve cardiovascular surgery outcomes.

<b>ALOS by:</b>	<b>Prior CV Surgery MDs</b>	<b>Current CV Surgery MDs</b>
DRG	Jan-Dec 2003	Oct 2004-Mar 2005
106, 107	14.5	13.3
109	11.5	7.4
106, 107, 109	13.1	12.0
<b>Median LOS by:</b>	<b>Prior CV Surgery MDs</b>	<b>Current CV Surgery MDs</b>
DRG	Jan-Dec 2003	Oct 2004-Mar 2005
106, 107	13.3	11.0
109	11.0	5.0
106, 107, 109	11.8	9.0

- c. Improve care provided to congestive heart failure and pneumonia patients.

1. Expand use of evidence based order sets.

<b>Diagnosis</b>	<b>2002</b>	<b>2003</b>	<b>Qtr 1 2004</b>	<b>Qtr 2 2004</b>	<b>Qtr 3 2004</b>	<b>Qtr 4 2004</b>
CHF		58.9	67.7	41.8	69.8	67.1
Pneumonia	40.8	56.3	35.5	55.0	76.5	72.7

2. Improve patient education and discharge planning process.

Nursing formed a multi-disciplinary group to evaluate these processes. UTHCT implemented the new discharge form and patient education sheets for these diagnoses on March 15, 2005.

- d. Optimize management of ICU patient care.

<b>No.</b>	<b>Intervention.</b>
1.	Hired a nurse educator specific to the ICU to improve nurse competency.
2.	Established ICU consultation criteria.
3.	Formulated a ventilator weaning protocol.
4.	Instituted revised admission/discharge criteria to ensure appropriate admissions to and discharges from ICU.
5.	Project underway to standardize glucose control through order sets and protocols.
6.	Standardized ICU admission orders and initial ventilator set up.
7.	Implemented age-specific supply carts and Braslow crash carts to improve care for pediatric admissions.

- e. Support the development of evidence based care protocols

No.	Interventions conducted.
1.	Educate Medical Staff Leadership on JCAHO disease certification programs, JCAHO, CMS and another public reporting.
2.	Obtain agreement from Medical Staff Leadership to embrace evidence based practice.
3.	Implement participation in American Heart Association Get with the Guidelines projects.
4.	Medical Executive Committee approved use of order sets for certain diagnoses as standard of care. Deviations are reported to the peer review committees.

No.	Order set/protocols developed FY 2005 YTD.
1.	Glycemic control.
2.	Ventilator weaning.
3.	AMI post-admission orders.
4.	CHF post-admission orders.
5.	Pneumonia post-admission orders.
6.	Peg Tube Placement.
7.	Smoking Cessation.

**UPDATE:**

*Customer Satisfaction*

- Improve Customer Satisfaction:

	Current Raw Score	Year One	Year Two	Year Three
Patient Satisfaction (Aggregate)	90.2	90.7	91.2	91.7
Employee Satisfaction (Mean)	59.21	59.71	60.21	60.71

**Obstacles**

- Resistance to change.
- Competing priorities.
- Lack of standardized processes of care.

**3. Implement UTHCT Center for Healthy Aging programs**

**Objectives**

Based on the changing demographics of the East Texas market and the ever-increasing needs of the aging population, the UTHCT Center for Healthy Aging will fill a void in East Texas for care of the elderly. No established, coordinated program exists in this area that has the vision and capability to focus on the various aspects of aging. The Center will take a comprehensive, multi-disciplinary, coordinated, and personalized approach to a myriad of services for seniors.

**Strategies**

To meet these objectives, UTHCT will develop:

- Professional educational programs – including pursuing a Geriatric Fellowship Program; developing formal certification programs for professionals involved in the care of the elderly; and collaborating with other institutions to develop educational programs for healthcare professionals.

- b. Research programs – including faculty recruitment; staff support; demographic support; and collaborative efforts in other disciplines, e.g., nursing, psychology, sociology, economics, political science, etc., with UT Tyler and other educational institutions.
- c. Clinical care services – including coordinating appointments and multidisciplinary healthcare services at UTHCT; integrating case management services into the Aging Center; establishing an inpatient unit specifically designed as a comprehensive medical/surgical unit for the elderly; and utilizing a “care coordination” concept. Also, UTHCT and UTMB are discussing the possibility of implementing a telemedicine approach for senior patients in East Texas.
- d. Public health and outreach – including developing geriatric-specific outreach activities, senior conferences and senior health fairs; formalizing clinical rotations to nursing homes; and house calls.
- e. Public policy and advocacy – including using outcomes research data to drive decision-making and providing information to the public on the critical health issues in geriatrics.

#### **Resources**

- a. UTHCT proposes that the \$2.5 million Medical Liability Excess Reserves be applied to support the development of the UTHCT Center for Healthy Aging and the implementation of the Center's programs.
- b. \$500,000 in philanthropic support.
- c. Research grant funding.
- d. UTHCT Special Item funding request to UT System for the 79th State Legislature to help fund the programs of the UTHCT Center on Healthy Aging.

#### **Progress Measures**

- a. Development of a Geriatric Fellowship Program.
- b. Development of certification programs for healthcare professionals involved in the care of the elderly.
- c. Collaborations with UT Tyler, including joint recruitment and seed grants.
- d. Implementation of clinical care programs, including inpatient unit for the elderly, care coordination, and telemedicine.
- e. Increased research funding for geriatric-related projects.

#### **UPDATE:**

- UTHCT named Dr. Kent Davis as the Medical Director of the UTHCT Center for Healthy Aging.
- UTHCT has initiated the UTHCT Center for Healthy Aging. Components of the Center for Healthy Aging are:
  - The Senior Assessment Clinic opened in 2004 as a one-stop shop for assessing seniors' healthcare needs. Its goal is to improve the health status of the frail elderly and to prolong their independence. A team of healthcare professionals evaluates each patient and develops a treatment plan. The team includes a physician and a nurse practitioner who specialize in gerontology, as well as pharmacists, physical and occupational therapists, and dietitians.
  - A monthly support group for caregivers was developed in 2004. One Tuesday each month, individuals who care for family members or loved ones at home meet at the Health Center to share their concerns and learn about community resources.
  - Several UTHCT scientists are examining how factors such as oxidants and the environment affect the aging of human cells. In October 2004, seed grants totaling \$38,500 were awarded to four UTHCT researchers to fund research into the causes and treatment of diseases that affect the aging process. Over \$11,000 of this funding came from the Wolf Foundation.
  - On October 1, 2004, UTHCT and the Tyler Area Senior Citizens Association (TASCA) formed a partnership to expand the UTHCT Center for Healthy Aging to the Ornelas Activity Center, a 23,000 square-foot facility located on 22.5 acres of land. TASCA is a nonprofit organization formed in 1991 to meet the social and educational needs of the growing



population of senior citizens in the Tyler area and surrounding communities. It currently has about 1,200 members and provides services such as health screenings, a monthly dance, exercise classes, computer support groups, a computer lab, volunteer opportunities, and a library.

- o The Red and Kim Little Healthy Aging Outreach Endowment is a program started by a \$100,000 donation from Mr. and Mrs. Little, and it has two elements: The first is an annual program for seniors given by a nationally known speaker, and the second focuses on public health education. The first program of this Little Endowment for the senior community at the TASCA Center was held on March 31, 2005.
- o Development of the Acute Care for the Elderly (ACE) unit commenced on June 27, 2005. This is a dedicated in-patient unit for the frail elderly patient.
- o Future Plans: The Geriatric Fellowship Program. When established, this program will offer physicians advanced training leading to a geriatric certification for qualified physicians. Two hundred thousand dollars has been donated to this effort.

#### **UPDATE:**

##### *UTHCT's Aging Initiative "STAR"*

###### *Research:*

1. Initiated a grant application for a "feeder table" concept in nursing homes.
2. UTHCT plans to finalize a collaboration with UT Tyler to provide neuropsychological support to the Center for Healthy Aging, while pursuing research projects with UTT.

###### *Clinical:*

1. Case Management has been added to the Center for Healthy Aging. In addition, an LMSW for counseling is being sought, as well as a grant for a Care Coordination program (caring for local seniors when the family lives out of town).
2. A social worker and PharmD now consult in the aging clinic.
3. The Senior Assessment Clinic will expand its geriatric-trained staff.
4. Two mid-level practitioners interested in geriatric research working on their nursing doctorates have been hired to begin in the summer of 2005. Also, they will likely be involved in the Nursing Home and House Calls programs after their arrival.

###### *Public Health, Education, and Outreach:*

1. Nursing Home Administrator group meetings supported by the Center for Healthy Aging are being planned to educate on topics important in long-term care.
2. A caregiver support group including care for the caregivers has been started to allow respite for the involved caregivers.
3. Education to AARP, Area Agency on Aging, and local support groups, as well as to local physicians in local communities, on topics such as care giving, elder driving, etc.
4. UTHCT was involved in the public education about the flu vaccine shortage.
5. Education to local nursing home caregivers and family groups on assorted topics.
6. "Steps to Healthy Aging" exercise and diet program for adults have been planned at TASCA and other sites.
7. Plans are being developed for Physician Relations to educate area providers on UTHCT's aging program, on senior care topics, etc.

#### **Obstacles**

- a. Recruitment of key personnel to drive the program.
- b. Maintaining adequate long-term funding for the Center for Healthy Aging programs.

#### **4. Achieve sustained financial viability**

##### **Objectives**

Throughout 2001-2002, UTHCT was in serious financial difficulty. For example, cash on hand at UTHCT as of October 31, 2002, was less than 29 days. Clearly, both short-term and long-term strategies were required to address this financial crisis. During FY03, UTHCT designed and implemented several measures to improve UTHCT's efficiency and cost-savings that will directly impact UTHCT's overall financial performance. As of December 31, 2003, the cash on hand was 66.6 days. As UTHCT has not achieved sustained financial viability, much remains to be done.

##### **Strategies**

Actions being taken to help facilitate reaching that goal are as follows:

- a. Develop short-term strategies to maximize profitability and improve fund balances.
  1. Continue to improve monthly financial reporting.
  2. Continue to improve budget process.
  3. Continue to assess opportunities for further improvements to build cash reserves.
  4. Develop plan to enhance productivity management, supply chain, revenue cycle, and accountability.
  5. Optimize revenue sources.
  6. Review E&G and MSRDP funds for opportunities to control operating expenses.
- b. Develop long-term financial plan that addresses operating and capital needs.
  1. Build cash reserves to 75 days.
  2. Identify key capital needs throughout facility.
  3. Identify specific programmatic investment requirements and require an upfront return-on-investment analysis for these investments.
- c. In addition, UTHCT is implementing a new comprehensive information system that will provide stability, improve effectiveness, and result in cost-savings that will positively impact UTHCT's financial situation. It will result in five-year net benefits in the following areas:
  1. Reduction of denials – \$1,575,000.
  2. Reduction of Medicare necessity write-offs – \$600,000.
  3. Identify patients up front that require payment upfront – \$2,180,000.

##### **Resources**

- a. New decision support/executive information system – approximately \$250,000.
- b. Budgeting software to improve budgeting process – approximately \$200,000.
- c. New software program to support financial reporting – approximately \$250,000.
- d. Improving net collections to build cash reserves – approximately \$250,000.

##### **Progress Measures**

This will be an ongoing process. Significant financial challenges are anticipated through the end of 2004. UTHCT expects to address each challenge to keep UTHCT on target to have 75 days cash on hand by August 31, 2006.

##### **UPDATE:**

- The implementation of new financial and clinical information systems to support the clinical operations was accomplished in March 2004. Improvements have been realized on the return on investment (ROI) with improved net collection rates. UTHCT is ready to begin Phase II of Meditech, which includes Electronic Ambulatory Records, nurse documentation, and operating room systems. Updates have been made to PeopleSoft in finance and purchasing. It is scheduled to go online August 31, 2005, so that the new budgeting system may be implemented for the FY07 budget cycle.
- One of UTHCT's major competitors has opened a new hospital within UTHCT's primary market area. UTHCT plans to respond to this competitive threat through a variety of measures.

- During the Winter 2005, it was determined that UTHCT must reduce its operating costs to match the current volume of patients. UTHCT created an Institutional Budget Committee (IBC) to ensure that UTHCT would achieve its financial targets by August 31, 2005. Cost reductions of approximately \$5 million and additional gross revenue with price increases have been implemented. The cost-saving measures have resulted in reductions in force. Therefore, an internal Rapid Response Team (RRT) was established to assist UTHCT through this restructuring process. The RRT advised the President and senior leadership on the potential consequences of any actions that are recommended based on objective data. They worked to ensure effective communication throughout the institution during this time, as well as offered compassion, sensitivity, and support for those adversely affected. UTHCT has achieved 90 percent of the targeted \$5 million in cost reductions. Senior leadership is continuing to evaluate programs to identify other reorganizations/changes that may be necessary. But at this time, no further reductions in force are anticipated.
- Sites for new clinics are being identified. The financial viability of each is being evaluated, and then plans to operationalize them will be developed and implemented (see Section II.A.5 below for more details). A market analysis is being developed for possible new clinics that will be completed in approximately eight weeks. A search is currently being conducted for physicians to staff the new clinics, and construction has begun on the permanent building for the University Health Clinic at Tyler on the UT Tyler campus. The completion date is targeted for March 6, 2006.
- The operations of the MSRDP and E&G for future cost-savings and consolidations are being evaluated. Senior leadership has conducted further studies in areas in which the UTHCT hospital has been underpaying the MSRDP. Changes have been made to reflect the correct allocations of cost between the hospital and the practice plan. This has resulted in a positive bottom line for the practice plan as of May 2005. It is anticipated that this will continue.
- The options of partnering with one or both of the hospital facilities in Tyler for the expansions of residency programs are being explored and evaluated. Nothing concrete to report on this item at this time.
- Senior Management is evaluating new opportunities that will bring increased hospital and clinic utilization to the UTHCT campus. These possible opportunities include correctional managed care, hospice, psychiatric services, veteran services, and expansion of medical staff.

#### **Obstacles**

- a. Ensuring UTHCT receives adequate budget support from the state legislature.
- b. Obtaining funding for inpatient TB care.
- c. Dealing with the highly competitive healthcare environment in the Tyler metropolitan area.

***The following initiative is new to the UTHCT Compact but no less critical or important.***

#### **5. Increase UTHCT patient base**

##### **Objective**

With the increasing pressures of healthcare competition in the East Texas region that comprises the UTHCT service area, UTHCT realizes the significant importance of maintaining its current patients as well as developing new patients.

##### **Strategies**

UTHCT understands the importance of building new clinics and will undertake necessary needs assessments to identify what specialties are needed and in what specific areas. Also, to retain the current patient load and to increase the referrals of current and new patients to UTHCT, various key steps have been undertaken:

- Patient satisfaction is very important. The training of all employees has begun on how to improve individual and overall patient satisfaction.

- 'Same Day Appointments' have been implemented in several UTHCT clinics.
- UTHCT is exploring the expansion of certain practice hours to include Saturday hours.
- UTHCT phone system has been improved.
- First Annual "UTHCT Healthy Families Day" held at UTHCT on April 9, 2005. Among the attractions were: free health screenings; various health seminars (some were age-specific); educational materials for parents/families, with UTHCT staff available for questions; free hotdogs/water/snacks; entertainment by several local groups; face painting; and train rides, jump rooms, and wheelchair races for small children.
- UTHCT employees are encouraged to be ambassadors for UTHCT.
- UTHCT management is working on ways to improve employee satisfaction since this has a direct impact on patient satisfaction.
- UTHCT leadership has reached out to certain independent non-affiliated practitioners in UTHCT's service area to meet their needs as well as to increase referrals to UTHCT.

### **Resources**

- a. Current referring physicians.
- b. Community physicians in UTHCT service area – need to continue to educate and develop loyal referral base.
- c. Current patients.
- d. Family Medicine physicians in East Texas trained by UTHCT.
- e. UTHCT employees.

### **Progress Measures**

- a. Identification of new patients.

### **UPDATE:**

- Patient Satisfaction – A campaign was specifically developed to address improving patient satisfaction in the outpatient clinics. All employees who are assigned to outpatient care are required to receive this extensive training. The initial feedback from the patients has been very positive.
- "Same Day" appointments – To date, UTHCT has been able to document 12 percent of new patient appointments as a direct result of this change.
- Expansion of clinic hours – Initial focus of the extended clinic hours were in the evening hours and in the primary care clinics. To date, primary healthcare, internal medicine, GI, and the Center for Healthy Aging have extended their hours on Thursdays to 7 p.m. Pediatrics has expanded hours on Tuesday, Wednesday, and Thursday (8:30-6:30).
- Employee satisfaction – UTHCT now conducts an annual measurement of employee satisfaction. From January 2004 to January 2005, there was a statistically significant improvement in employee satisfaction.
- Recruitment of new physicians has resulted in the new Chair of Medicine, the new Chair of Surgery, and a new head of Women's Health.
- UTHCT is exploring clinical collaborations with other medical centers in the East Texas area.

### **Obstacles**

- The increasing competition from other healthcare entities and hospital systems, especially in the counties north of I-20.
- Depth and breadth of UTHCT professional staff referral base.
- Overcoming the following stigmas: 1) "Texas Chest" Hospital; 2) "TB Sanitarium"; and 3) "Public or State Hospital."

## B. Long-term Goals

### 1. Formation of a strategic educational alliance between UTHCT and UT Tyler resulting in joint graduate and undergraduate schools in health and biological sciences that will become the major teaching entities in health sciences and biotechnology in East Texas

#### Objectives:

Discussions between UT Health Center and UT Tyler were held throughout 2003 on building further collaborations between the two institutions. Presidents Calhoun and Mabry and key executive personnel from each institution met in early February 2004 and agreed to make UTHCT and UT Tyler the major teaching entities in health sciences and biotechnology for East Texas and outlined strategies to make that priority a reality.

Although the names of each entity described below have not yet been finalized, UTHCT and UTT have agreed to work towards developing the following:

- Joint School of Graduate Studies in Biological, Biomedical, and Allied Health that will offer advanced degrees in these areas.
- Joint School of Health Sciences focusing on rapid development of educational programs in allied health fields and nursing.

#### Strategies

The above objectives will require:

- a. Joint faculty and financial support from both institutions for each school. Joint faculty appointments already have been implemented in certain areas, and others will be considered as the need arises.
- b. Approval of UTHCT and UT Tyler TRB requests for teaching facilities.
- c. Approval of the state legislature and Texas Higher Education Coordinating Board for UTHCT to have degree-granting authority.
- d. Contributions by UT System in terms of financial, organizational, and academic expertise.

UTHCT and UT Tyler will:

- a. Establish a planning committee comprised of key representatives from each institution to develop structure, governance, participation, etc., for the schools.
- b. Develop support for the above entities among faculty and the community.
- c. Continue joint faculty appointments.
- d. Continue joint faculty recruitment, as necessary, to support collaborative educational and research initiatives related to aging and other issues.
- e. Provide seed research grants.

UTHCT's degree-granting authority will strengthen UTHCT's graduate degree work with other institutions of higher education, support its current medical education programs, result in a sufficiently trained workforce to treat certain diseases, and will support the research endeavors at UTHCT. The following actions will be taken in the next several months:

- a. Continue discussions with UT System and UT M. D. Anderson to learn from their expertise and experiences.
- b. Work with the Higher Education Coordinating Board in pursuit of degree-granting authority.
- c. Initiate contact with local elected state representatives and senators to develop a bill for the approval of the 79th Legislature for degree-granting authority for UTHCT.

#### Resources

- a. Increasing clinical revenue at UTHCT Health Science Center.
- b. Tuition revenue.
- c. State funds allocated to support education.

- d. Indirect research revenues.
- e. Philanthropic funding.

### **Progress Measures**

UTHCT is exploring a partnership with UT Tyler in the development of a Joint School of Graduate Studies in Biological, Biomedical, and Allied Health that will offer advanced degrees in these areas and a Joint School of Health Sciences focusing on rapid development of educational programs in health fields. The entities named above should be viewed as working titles as they not have yet been finalized.

Once UTHCT receives its degree-granting authority from the state legislature and the Texas Higher Education Coordinating Board, it will enhance collaboration with other institutions – such as UT Tyler – and issue degrees jointly.

### **UPDATE:**

- The development of the Joint Institute between UTHCT and UTT is currently on hold pending resolution of certain management and funding questions.
- As mentioned above, the 79th Texas Legislature approved UTHCT's degree-granting initiative, and the Governor signed this bill on June 1, 2005. UTHCT plans to submit its request for planning authority to the Texas Higher Education Coordinating Board at or before its October 2005 Quarterly Board Meeting. In addition, UTHCT is researching the accreditation requirements of the Southern Association of Colleges and Schools (SACS).

### **Obstacles**

- a. Identify adequate resources between UTHCT and UT Tyler as both are relatively new to the UT System and in need of considerable infrastructure support.
- b. Win the support of each institution's respective faculty of these collaborative initiatives.

## **2. Build prestigious research program**

### **Objectives**

UTHCT allowed its research expenses to diminish over several years. Steps were taken in FY03, and will continue through FY04-FY06, to expand the research program at UTHCT. Those activities are designed to significantly increase the extramural funding, as well as promote initiatives to improve state and local funding, for UTHCT.

### **Strategies**

Among the initiatives to expand the research program at UTHCT are the following:

- a. Enhance collaborative activity among investigators. This strategy will provide a foundation for the acquisition of collaborative research projects such as NIH Program Project Grants. These grants afford more financial resources to conduct research projects and provide extramural funding that may be used to leverage institutional funds to facilitate the development of core research facilities.
- b. Increase mission-defined research. Mission-defined research will be increased by thematic recruitment in the areas of infectious disease or lung injury and repair, areas in which UTHCT has a foothold with NIH-funded faculty. UTHCT investigators have also focused on cardiovascular diseases. Increased funding could also result from fostering new scientific interactions between labs, which UTHCT has not effectively done in the past but plans to pursue to increase extramural funding.

Some of the incentive to develop collaborative research programs is financial. The research incentive plan is predicated on the acquisition of extramural funding and is robust (i.e., up to a 25 percent increment over the salary base is now allowed under the existing research incentive

- plan for research faculty). Some of the incentive relates to job security and satisfaction, career advancement (including promotion), and expansion of the investigator's scientific program.
- c. Identify new research opportunities that complement current strengths. This strategy will promote the discovery of new avenues by which the strengths of the existing research programs can be deployed effectively and will promote the acquisition of extramural funding.
  - d. Increase clinical faculty involvement in research activities. Greater participation of clinical faculty in research will require recruitment of appropriately trained faculty. Extramural funding opportunities and logistic support for interested faculty are now being provided through Pre-awards and the Clinical Research Office. Expanded interactions between basic and clinical faculty are now being encouraged by senior administration. A new compensation plan requires research activities or substitution of increased activities in clinical, service, or educational areas for clinicians who do not engage research activities. Financial incentives for clinical faculty are being developed.
  - e. Refine, develop, and enhance research infrastructure. The growth of the research program will support the following: 1) the growth of scientific discovery; 2) the acquisition of new intellectual property; 3) the introduction of new jobs to the Tyler community; and 4) increased research expenditures. New core facilities and core support functions will now need to be introduced into the UTHCT research support paradigm to effectively promote rapid entry of the individual investigators into collaborative projects and to support the acquisition of new extramural funding.
  - f. Initiate research in healthy aging and other initiatives by deployment of intramural seed grants. These seed grants will be used to allow UTHCT faculty to initiate new competitive research projects that may ultimately be used to compete for new extramurally supported grant funding.
  - g. Develop new research programs with academic and biotechnology partners. Partnerships will be sought to strengthen the competitiveness of current research programs and will promote the maintenance and growth of UTHCT research projects and their competitiveness in terms of extramural funding. These new partnerships are timely, as the durability of extramurally funded research programs relies heavily upon the ability to rapidly deploy new technologies and expertise in order to maintain a competitive advantage.

In addition, the principal extramural research initiatives include the following:

- a. Texas Lung Injury Institute – This new research program is focused on research programs that relate to its central theme of lung injury and its repair. The projects involve collaborations with investigators from Duke, University of Pennsylvania, University of California at San Francisco, and industry. Lung injuries addressed by this work encompass diseases occurring at all ages, including lung scarring that occurs in geriatric populations.
- b. Expansion of the Center for Pulmonary and Infectious Disease Control (CPIDC) – CPIDC addresses four critical needs:
  1. To focus on serious infectious diseases, particularly those of a chronic nature, that currently threaten the United States.
  2. To identify, measure, and interpret the complex time-related concentration, activity, and flux of metabolites in infectious organisms and tissue cells.
  3. To advance the understanding of the genetic and molecular basis of how infectious agents, including tuberculosis and select agents, are transmitted and cause disease.
  4. To use better understanding of how infectious agents cause disease to accelerate the introduction of new therapeutics for serious infectious diseases into clinical practice. Therapy for many of these diseases is now unsatisfactory.

UTHCT is already affiliated with the Regional Center for Excellence for Biodefense and Emerging Infectious Diseases Research (RCE) that The University of Texas Medical Branch at Galveston (UTMB) was awarded and provides clinical support and hospital facilities that would be used in the event of a bioterror attack. The Institute therefore complements and builds upon the existing federally funded clinical and basic research programs to which UTHCT is now committed.

- c. Development of a Minority Health Disparities program – UTHCT collaborated with and was awarded a grant with Texas College to study minority health disparities. This NIH-sponsored project is the first of its kind in East Texas and is designed to promote clinical research to identify new opportunities to improve healthcare for diabetic minority patients and others in rural Texas. UTHCT will continue to develop and expand this initiative.

### **Resources**

- a. Federal earmarks, with assistance from the UT Office of Federal Relations.
- b. Philanthropic funds.
- c. State research funds.
- d. Indirect research revenue.
- e. Clinical revenue. The new UTHCT clinical compensation plan (“Towards an Academic Faculty”) is designed to promote research and other academic efforts on the part of clinical faculty and might thereby promote acquisition of new extramurally funded research by current clinical faculty members. Indirect revenue derived from such efforts will, in part, support the expansion of research programs at UTHCT. In addition, the plan rewards clinical productivity and should expand MSRDP seed support of research programs at UTHCT. This support will be used to initiate new programs that will be competitive for extramural funding.

### **Progress Measures**

Expand UTHCT research program to \$5 million in extramural grant monies by August 31, 2006. The progress measures are addressed according to each of the specific strategies articulated above:

### **UPDATE:**

- a. Enhance collaborative interaction between investigators: The first NIH Program Project at UTHCT was obtained and is scheduled to be initiated in July 2005. Dr. Steven Idell is the PPG Program Director. The PPG involves several UTHCT investigators, clinical faculty, and support personnel whose salaries were previously paid in full by state funds. These salaries are now supported through the PPG. Plans for additional collaborative research efforts are now being made. Scientific focus groups in lung injury and infectious disease have been initiated to promote scientific interactions designed to lead to initiation of new collaborative programs that will lead to additional extramurally-supported, peer-reviewed research funding.
- b. Increase mission-defined research: The PPG is in the field of lung injury, and several other related federal grants in the area of tissue inflammation and repair were funded in 2004. All federal awards are projected to increase to \$9.7 million by August 31, 2005, representing a 49 percent increase over FY04. The number of federal awards increased from 30 to 35 during this time. New grants in the field of inflammation and innate immunity complement the new PPG in the theme of lung injury and repair. In the field of infectious disease (another area of strength of UTHCT research), three new NIH grants were recently acquired to consolidate the mycobacterial lung disease research program conducted through CPIDC. The funding of these investigators sets the stage for collaborative research programs in this area, which are being encouraged at the administrative and investigator levels.
- c. Identify new research opportunities that complement existing strengths: Development of new academic and biotechnology partnerships to promote growth of extramurally-funded, peer-reviewed research programs. Plans for new PPG opportunities in lung injury and mycobacterial disease are being made now, and focus groups (including UTHCT faculty) have been convened in both these areas. Two new NIH grants with the University of Colorado, National Jewish Medical and Research Center, and Duke University were recently obtained in lung injury and repair. Another NIH-funded grant in the field of lung injury has recently been funded in collaboration with the University of California at San Francisco. These partnerships, which involve some of the strongest pulmonary disease programs in the U.S., strengthen the UTHCT effort in lung injury and expand the scope of this program. In the field of infectious disease, collaborations between the CPIDC faculty and basic research faculty are being made with LSU,



New Orleans. The University of North Texas (UNT) is providing biostatistics support for a new PPG that is being planned in lung injury. The effort will involve collaboration between UTHCT and other UT System institutions to accomplish successful patient recruitment. Investigators at UNT have now been included to support biostatistics in the NIH EXPORT project, thereby strengthening that project and enhancing the capacity of UTHCT faculty partners to transition that grant into the next phase of NIH funding. Plans for development of research programs that involve faculty from UTT and UTHCT have been developed and will hopefully be implemented in the coming year. Several investigators at UTHCT have initiated partnerships with biotechnology firms, including pharmacy partners such as NovoNordisk and Chiron. Partnerships with smaller biotechnology firms have been developed and are now operational. One such partnership (Attenuon, San Diego) enhanced the competitiveness of the recently acquired NIH PPG in the field of lung injury. That partnership is being consolidated to promote translational research at UTHCT and the development of new therapeutics for protection against lung injury and scarring. These initiatives are scientifically sound and facilitate rapid transition of bench research developed at UTHCT to clinical trials and new peer-reviewed, extramurally-funded research projects.

- d. Increase clinical faculty involvement in research activities: Clinical faculty are involved as paid co-investigators in the newly-funded PPG in lung injury and repair. Plans for a new NIH initiative, either a PPG or SCCOR grant, are being made to translate interventions developed at UTHCT into clinical trials. Industry-sponsored research initiatives in pulmonary disease, internal medicine, lung cancer, heart disease, and pulmonary vascular disease are being sought. Several members of the clinical faculty have now joined the minority health disparities research effort, including the recently funded NIH EXPORT grant in this area.
- e. Refine, develop, and enhance research infrastructure: A new research wing was completed this past year, and the grand opening occurred April 6, 2005. This wing will provide roughly 30,000 square feet of lab space and 17 new labs that will enhance recruitment efforts. Capital expenditures are being made to support four new investigators who were hired during this past fiscal year, including new equipment to enhance the emerging immunology program that will complement the infectious lung disease focus at UTHCT. Along these lines, research expenditures are projected to continue to increase by the end of FY05 and to reach \$11.7 million, an increase from \$10.2 million the prior year.
- f. Initiate research in healthy aging and other initiatives by deployment of intramural seed grants: The first intramural grants in these areas were awarded last fall (FY05). The investigators who received these grants were informed that continuation for the projects with acquisition of further NIH support was desired and anticipated.

### **Obstacles**

- a. Increasing competition for recruitment of quality researchers.
- b. Lack of association with a graduate school of biomedical science or of public health.
- c. Limited institutional resources to support research initiatives. The availability of these resources in part depends on a robust clinical practice. Challenges to the growth of the practice are addressed in previous sections of this document.
- d. Decreasing NIH pay-lines. While a problem for all research programs, this is a particular problem for the growth of UTHCT research as UTHCT investigators rely mainly on NIH funding to support their work. UTHCT has the highest ratio of research faculty who serve as Principal Investigators on NIH projects (almost 75%). Maintenance of these programs is threatened by the decline of NIH pay-lines. Most UTHCT investigators are relatively junior in their careers, and their scientific capability and competitiveness are still evolving. They are the most vulnerable to the extreme downward shifts in the pay-lines (about 30% to 16% currently), as have occurred at NIH.

### **3. Develop comprehensive clinical care for veterans in East Texas**

#### **Objectives**

Tyler and its surrounding communities are fast growing retirement areas and have been hailed as one of the best retirement areas in the country. Many of these retirees are veterans. These veterans currently have access for their primary care needs in Tyler, Texas. However, for any necessary specialty care, laboratory services, pharmacy needs, diagnostic testing, etc., veterans must travel to Dallas or Shreveport. These distances often present barriers to veterans in their need to obtain required healthcare.

UTHCT proposes to offer the full spectrum of healthcare for these East Texas veterans:

- Outpatient (primary and specialty care) – regain contract from VA.
- Inpatient – obtain contract from VA.
- Nursing home – obtain funding.

UT Health Center at Tyler has a history of taking care of veterans. UTHCT is located on the grounds where Camp Fannin was located. Camp Fannin was an infantry Replacement Training Center during World War II. By the end of World War II, more than 250,000 young men had trained at Camp Fannin. In addition, the Camp Fannin Station Hospital, a 1,074-bed facility, cared for thousands of sick, wounded, and injured GI's from 1943-46. This hospital was turned over to the state of Texas and eventually became UTHCT.

#### **Strategies**

UTHCT previously held a primary care services contract with the Veterans Administration (VA) that ended in 2002 over reimbursement issues. A comprehensive clinical care program for veterans would allow UTHCT to offer primary care, specialty care, lab, pharmacy, diagnostic testing, and inpatient care services to veterans in East Texas. These services are at a location that is closer to home for these veterans, many of whom reside in rural areas.

UTHCT is willing to cooperate with the VA to develop a reimbursement package for primary and specialty care that would result in an overall cost reduction to the VA for healthcare services for East Texas veterans. In addition, in 2002, the state of Texas designated Smith County and the UT Health Center at Tyler as a site for a VA nursing home, but funding has not yet been allocated. When that occurs, this nursing home will be another component in the spectrum of care for veterans in East Texas.

#### **Resources**

UTHCT plans to incorporate the veteran primary care and specialty care services into its existing clinic operations. UTHCT would be reimbursed for clinical care services under the contractual terms with the VA.

UTHCT has requested the assistance of the UT System Office of Federal Relations (OFR) to help UTHCT develop this proposal to the VA. When appropriate, UTHCT will need the assistance of the OFR to facilitate the contacts and follow-up with key policy-makers to ensure the success of this proposal.

UTHCT may also need the assistance of the UT System to work with the Texas Veterans Land Board regarding funding for the VA nursing home. The VA nursing home would be located on UTHCT property, but no state funding is necessary for staffing or managing the operations.

#### **Progress Measures**

- a. UTHCT establishes a comprehensive clinical care program to attract East Texas veterans to UTHCT.
- b. Texas Veterans Land Board funds the VA nursing home on UTHCT campus.

#### UPDATE:

- The Texas Veterans Land Board Commissioner visited UTHCT in early February 2005 and indicated that the Land Board planned to build nursing homes in northeast Texas and in Houston when federal funding became available. The commissioner also stated that when the Veterans Land Board requested federal funding in FY06, UTHCT would not have to re-submit its proposal. UTHCT will work with the regional stakeholders, county judges, and elected officials to ensure that UTHCT is the site selected by the Land Board for the East Texas location.
- Also, UTHCT plans to submit an application to the Veterans Administration when the primary care contract for East Texas is re-bid in 2006.

#### Obstacles

- a. Convincing the VA to allow UTHCT to provide clinical services to veterans in this region.
- b. Obtaining final approval from the Texas Veterans Land Board of the Texas Land Commission for the construction of the veteran's nursing home on the UTHCT campus.

#### 4. Build/expand infrastructure to support education, research, and patient care and beautification of campus

##### Objectives

The UTHCT campus features several construction projects totaling \$20 million that are underway and will revitalize UTHCT's Emergency Care Center, expand its research enterprise, and provide a more appealing and efficient patient care environment. In order for UTHCT to become a degree-granting institution, UTHCT must have classroom and conference room space. UTHCT currently has graduate degree program partnerships with Stephen F. Austin University and Texas A&M University (and in the near future with UT Tyler) that require educational and conference room space. Throughout the year, UTHCT offers a myriad of professional development programs, CME and CNE classes, and Grand Rounds. Adequate seating is often limited given UTHCT's current auditorium and conference rooms, so additional conference room space is needed. UTHCT does not currently have the requisite classroom space required to support the growing educational endeavors at UTHCT.

##### Strategies (updated target dates or accomplished dates are highlighted below)

- a. UTHCT submitted a request to the UT System for assistance in obtaining a Tuition Revenue Bond (TRB) for an Education and Conference Center in the amount of \$35 million (**revised: \$32.4 million, as \$2 million was donated for this project**). Projected uses of this facility include a medical library of sufficient size to support the expanding portfolio of educational activities; conference rooms to support these programs; an auditorium large enough to accommodate existing and projected near-term demand; classrooms; offices; and related support areas. Also, TRB funds will be used in renovation of existing facilities as space becomes available when functions and staff are relocated to the Academic Center.
- b. An \$11 million construction project on UTHCT's Biomedical Research Wing began in December 2003 and is scheduled for completion in early 2005 (**grand opening, April 6, 2005**).
- c. UTHCT campus features several major and minor construction projects designed to spruce up its "curb appeal" for patients, visitors, and employees. These funded projects and their completion dates include:
  1. Improvements to the Ambulatory Care Center parking lot (**April 2005**).
  2. Renovations to the Center for Biomedical Research (**will not be done**).
  3. Remodeling of the old laundry building into the Public Health Laboratory of East Texas (PHLET) (**grand opening, June 9, 2004**).
  4. Beautification of the UTHCT campus (**multiple completion dates; lobby and cafeteria restrooms to be done in 2005**).
  5. Renovations to the Emergency Care Center (**August 2005**).
  6. Resurfacing of campus parking lots and streets (**in progress**).

7. Finishing the fourth floor of the Ambulatory Care Center **(June 2005)**.

**Resources**

- a. UTHCT submitted to the UT System a request for a Tuition Revenue Bond Project in the amount of \$35 million to be considered by the 79th State Legislature **(revised: \$32.4 million requested, as \$2 million was donated for this project)**.
- b. Included in that request is a request for at least \$1,250,025 for renovation costs.

**Progress Measures**

- a. Approval by the state legislature of the Education and Conference Center at UTHCT.
- b. During FY05-FY06, \$1 million investment by UTHCT on campus beautification measures.

**UPDATE:**

- UTHCT submitted a TRB application to the Texas Higher Education Coordinating Board in 2004 for an Academic Center; THECB rendered an "Excellent Evaluation" for this Academic Center.
- In March 2005, the Texas House of Representatives favorably considered this TRB, pending appropriations by the legislature. The Texas Senate rolled each institution's TRB requests into one TRB bill, pending final approval/and if funding is available. It is unclear whether the 79th State Legislature will approve and fund this TRB or any TRB requests. The 79th Texas Legislature did not pass any TRBs during its regular session. Hopefully, the school finance issues will be resolved during the first special session this summer. UTHCT is continuing to pursue a TRB for an Academic Center in the amount of \$32.4 million.
- The Biomedical Research Center exterior has been repainted, and the landscaping was upgraded in March 2005.
- Several major infrastructure projects have been completed, including the replacements of the campus water mains, the replacements of air handling units, upgrades to interior lighting for energy efficiency, and the replacements of shower valve assembly in patient rooms.
- Under-utilized space in the hospital has been renovated, and the new CF Center had its grand opening on March 10, 2005.
- The morgue has been renovated.

**Obstacles**

- a. Highly competitive community for philanthropic funds.
- b. Lack of alumni to support initiatives at UTHCT.
- c. Inadequate investment in UTHCT in previous years.
- d. Inability to obtain adequate PUF funding for UTHCT.
- e. History of UTHCT not using debt instruments to build campus.

**III. Future Initiatives of High Strategic Importance**

**1. Formation of a strategic educational alliance between UT Health Center at Tyler and UT Tyler to make UTHCT/ UTT the major teaching entities in health sciences and biotechnology in East Texas, which will require UTHCT obtaining degree-granting authority.**

This initiative has been discussed previously in another section of this Compact in which objectives, strategies, resources, and progress measures are outlined (see Section II.B.1). Because of the long-range aspect in achieving this goal and the importance it represents to the goals of both UTHCT and UT Tyler and to UT System goals, it is also listed as Future Initiatives of High Strategic Importance.

UTHCT and UT Tyler have agreed to work towards the development of Joint Schools of Health Sciences and of Graduate Studies in Biological, Biomedical, and Allied Health. This endeavor will

consist of joint faculty, chairs, and collaborative research **(May 1, 2005 – on hold, pending resolution of certain management and funding questions)**.

Degree-granting authority will strengthen UTHCT's graduate degree work with other institutions of higher education. These degrees will support UTHCT's medical education programs. UTHCT would be able to train graduate students in biotechnology/biomedical areas that will result in a sufficiently trained workforce to treat certain diseases and support commercial biotechnology efforts. They will help support the growing research endeavors at UTHCT and UT Tyler. Moreover, these educational programs are desperately needed in East Texas. East Texas students would be able to obtain health-related baccalaureate degrees. Also, the programs will attract trainees on a national basis.

Collaborations with UT Tyler will meet the 78th State Legislature's direction that the UT System encourage more collaboration among institutions of higher education. These collaborations will also increase research opportunities for both UTHCT and UT Tyler. They will facilitate the efforts of each institution to make tangible progress towards achieving academic and healthcare excellence.

**UPDATE:** See Section II.A.1.

## **2. Expand UTHCT's externally funded research to \$30 million program within the next 10 years**

Investments that support the growth of the faculty, their capital equipment needs, and infrastructural support will need to be implemented in order to facilitate the development of an internationally recognized research program primarily supported by extramural funding of \$30 million at UTHCT within the next 10 years. UTHCT posits that the growth of an academically acclaimed research enterprise can be achieved at UTHCT and that thematic growth – building upon its existing programmatic, intellectual, and material assets – will attain the desired financial parameters within a decade.

### **Objectives**

UTHCT plans to promote the growth and academic stature of research programs at UTHCT that broadly engage the themes of infectious diseases, lung injury and repair, cardiovascular diseases, and clinical research in the disciplines of aging and health disparities (particularly in rural East Texas). There are internationally recognized investigators and their teams in place at UTHCT that are the foundation upon which further growth is predicated.

### **Strategies**

UTHCT plans to incorporate practical, independent, but complementary elements that additively contribute to the growth of the research program at UTHCT:

- a. Growth of the faculty – Basic and clinical members will need to be recruited to attain critical mass to achieve the financial research program target, as described and justified below.
- b. Acquisition of requisite capital assets – The new investigators will require investments in capital assets to support their work, including laboratory equipment as described below.
- c. Acquisition of a graduate degree-granting program in the Biomedical Sciences – The basic investigative teams require adequate staffing, primarily with post-doctoral fellows and graduate students, to accomplish the work proposed in the grants. It is therefore critical that a graduate program in the Biomedical Sciences offering Ph.D. degrees be established at UTHCT over the next five years. The requested resources described below are therefore justified by logistic necessity, by critical need to support the work product of the research program, and by the requirement to provide intellectual vitality to the enterprise.
- d. Infrastructure development – Research facilities, including basic laboratories, vivarium facilities, specialized laboratories with BSL-3 capacity, and a Clinical Research Center, will need to be built to house the new investigators.

### **Required Resources**

UTHCT recognizes that revenue derived from current extramural funding needs to be leveraged to foster the growth of the research program at UTHCT. Therefore, indirect revenue from existing grants will be committed to that growth. Additional faculty will need to be recruited in key areas including genomics and proteomics to achieve the desired growth of the research program within 10 years. A critical mass of new faculty members will need to be achieved and quartered in new laboratories. Given a robust target of \$30 million of annual extramural grant funding in 2014 – a nearly 12-fold increment over current funding levels –and factoring in new collaborative efforts, the basic faculty extramurally-funded investigators will need to quadruple from current levels (from 16 to 64). Additional clinical faculty with extramurally-funded research will need to be recruited to leadership and staff positions. Over the next decade, 36 such clinical faculty will need to be recruited with academic interests in any of the key disciplines: infectious disease, lung injury and repair, or clinical investigation. These investigators will require at least a quadrupling of our existing and new laboratory space, currently about 130,000 sq. ft. Building costs will therefore approximate \$44 million dollars. Capital equipment costs, including lab start up packages for new faculty, are estimated conservatively at \$12 million. Support of beginning investigators (30) will conservatively cost \$3 million, assuming commitments averaging \$100,000/year for three years. Vivarium and specialty building projects, such as BSL-3 facilities, to support the growth of the research program are estimated to cost another \$15 million over the next decade. Commensurate salary and fringe benefits, assuming a 40 percent coverage through extramural support and a mean salary of \$120,000 x fringe of 25% = \$150,000 and 84 new basic or clinical faculty, will account for a \$7.5 million increment in salary support for the investigators during this time, prorated on an annual basis. The creation of a fully-equipped Clinical Research Center supported by NIH funding will require an initial investment of \$2 million. The Clinical Research Center will be needed as the clinical core of investigators expands to support in- and out-patient clinical research activities in the fields of lung injury, pulmonary medicine, and infectious lung diseases.

The Graduate Ph.D. Program in the Biomedical Sciences in the aggregate will require an investment of up to \$10 million over the next decade, considering support functions, staff, and collaborations with UTT that will require financial resources.

### **Progress measures**

These parameters are the same applied to the assessment of the productivity of all UT components. They include assessment of total extramural grant support including direct and indirect revenue and research expenditures, endowments and their expenditures, numbers of grants obtained by funding source, awards of larger grants including Program Project Grants (PPGs) and Special Clinical Center for Research (SCCOR) grants, honors and awards given to the faculty, manuscripts published and citation scores of the journals in which they appear, regional and national rankings in terms of funding of the aggregate research effort and prorated by faculty member, percentage of faculty funded by extramural grants and research expenditures as a whole and considering operational costs born by the institution.

### **UPDATE:**

As mentioned earlier, Dr. Steven Idell received an NIH Program Project Grant for \$7.8 million. Dr. Idell is Program Director and a Project Leader for this PPG. Two other UTHCT investigators, Drs. Sreerama Shetty and Vijay Rao, will also direct projects affiliated with this NIH PPG. The PPG will conduct studies to determine how regulation of the fibrinolytic system affects acute lung injury and its repair. The PPG involves a partnership with investigators at UTHCT, the University of Pennsylvania, and a Biotech firm in San Diego (Attenuon, LLC).

In order to assess the progress UTHCT has made in its research program, a brief history of awards received by UTHCT (as of March 29, 2005) is listed below:

- The funding sources for the UTHCT awards are as follows: 82% Federal; 7% Industry; 5% Foundations; 3% State; and 1% Local Government.
- Total awards to UTHCT increased from \$7.0 million in 2002 to a projected \$11.4 million in 2005. The awards are projected to increase 27 percent over FY04.
- Federal awards have increased from \$3.9 million in 2002 to \$9.7 million projected for 2005.
- Total research expenditures grew from \$8.9 million in 2002 to a projected amount of \$11.7 million in 2005.
- Total number of projects in the research program – 70 new awards, a 54 percent increase over FY03.
- Projected federal awards total \$9.7 million in FY05 – an increase of 87 percent over FY03.

### **3. Develop four major centers for excellence**

UTHCT is not, nor will ever be, a large enough institution to excel in all educational, research, and clinical areas. Therefore, UTHCT plans to focus its attention in four distinct areas and to develop Centers of Excellence in those areas over the next ten years. UTHCT already has many programs and initiatives in place or planned to support these four areas:

- a. Geriatrics – The Center will focus on the Healthcare challenges of individuals living in rural and small communities, particularly in East Texas.
- b. Lung Diseases Research – The Center will focus on lung injury and repair, as well as the development of new clinical modalities for the treatment of lung disease.
- c. Infectious Diseases and Center for Pulmonary Infectious Disease Control (CPIDC) – The Center will continue to expand its research efforts in infectious diseases such as TB, atypical mycobacterial disease, chronic infections, and new and emerging diseases.
- d. Rural Health Disparities – The Center will focus on the challenges facing special populations in rural areas, particularly poor areas such as northeast Texas.

#### **Objectives**

As each of these Centers for Excellence is developed, the goals for each are as follows:

- a. Become a major research and teaching entity at UTHCT specifically related to these four areas.
- b. Develop a substantial budget and generate revenue attributable to these centers.
- c. Achieve a statewide reputation and respect so that UTHCT becomes an institution that others pursue for education, research, and patient care.

#### **Strategies**

The following strategies have been initially identified to make these four Centers for Excellence a reality within ten years:

- a. Develop business plans for each area and implement the action plans outlined in each plan.
- b. Raise the necessary funds and develop revenue-generating strategies so that the UTHCT mission for education, research, and patient care is met.
- c. Seek and obtain UT System support.
- d. Seek and obtain state and federal legislative support.
- e. Redirect clinical revenue and indirect research revenue.

#### **Resources**

- a. Local revenues.
- b. Indirect revenue funds.
- c. Philanthropic funds.
- d. State funds.
- e. Tuition revenue.
- f. Federal earmarks.

### **Progress Measures**

Over the next ten years, UTHCT expects each of the four Centers for Excellence outlined in this section to be generating a minimum of \$4 million a year in externally-funded projects.

## **IV. Other Critical Issues Related to Institutional Priorities**

### **A. Impact of Initiatives** – summary of the impact this initiative may have on the following areas and initial ideas for addressing them – if not already discussed in sections II-III above:

- a. Enrollment management: The UTHCT initiatives outlined above will provide more opportunities for East Texans to pursue education in healthcare in their own community.
- b. Diversity: These initiatives will allow rural populations, particularly rural minority populations, to benefit from UT program to the same extent as those offered in urban areas.
- c. Community and institutional relations: The initiatives will improve the UT image in East Texas.
- d. Finances and Facilities: As stated in the initiatives above, they will improve educational opportunities for residents in East Texas and stimulate the East Texas economy.

**UPDATE:** As one of its priorities, UTHCT has plans in place to expand its outpatient clinics and increase the outpatient referrals. Hopefully, this will result in UTHCT being able to open four to five new outpatient clinic locations in the next few years. The recruitment of 17 new faculty is in progress, as well as the development of a comprehensive business plan to increase the growth at UTHCT.

- e. Other infrastructure issues: UTHCT believes that additional infrastructure is essential to the development of these initiatives.

### **B. Unexpected opportunities or crises** – None identified.

## **V. System and State Priorities**

### **A. Increasing student access and success and collaboration** among UT System institutions, particularly academic-health institution collaborations.

The development of an academic program at UTHCT, especially in collaboration with UT Tyler, will aid in the UT System efforts to *Closing the Gaps* that exist in Texas, particularly for rural populations in East Texas.

### **B. Increasing external research funding**

The development of a graduate studies program in East Texas is absolutely critical to UTHCT and UT Tyler in obtaining greater research funding.

## **VI. Compact Development Process**

### **UPDATE:**

The UTHCT Strategic Plan FY04-FY07 is still the framework under which this revised Compact was developed. It was shared with the following entities in order to elicit comments and suggestions in order to have input from various facets of UTHCT:

- Council on Corporate Culture – Comprised of 13 members from all components of UTHCT, the Council's purpose is to improve the working environment and the culture for all employees of UTHCT. It also provides a venue for employees who have suggestions for the various policies of UTHCT, as well as for those who have grievances.



- Institutional Education Council – This Council includes individuals at UTHCT, as well as external individuals and educators not employed by UTHCT. Its purpose is to support the development and oversight of UTHCT's degree offerings, the attainment of accreditation from SACS and other bodies indicated by programs, and the educational components of research initiatives.
- Research Faculty Assembly and Clinical Faculty Assembly – These assemblies are comprised of UTHCT faculty who are involved in the research and clinical enterprises of UTHCT.
- Administrative Council is UTHCT's executive leadership team.
- Various individual administrators and faculty have contributed to the FY06-07 updates to the Compact.

## **VII. System Contributions**

- Support for improving patient volume and financial performance (Health Affairs).
- Collaborations support with other institutions (Health Affairs; Academic Affairs).
- Legislative budget support (Health Affairs, Governmental Relations).
- Fundraising (External Relations).
- Support for additional education and research facilities (Government Relations; Office of Facilities Planning).
- Support for growth in UTHCT endowments (External Relations).
- Term tenure for UTHCT faculty (Health Affairs; Academic Affairs).
- Support for UTHCT campus infrastructure (Health Affairs; Office of Facilities Planning).

## VIII. Appendices

### A. Budget Summary

**The University of Texas Health Center at Tyler  
Operating Budget  
Fiscal Year Ending August 31, 2005**

	FY 2004 Adjusted Budget	FY 2005 Operating Budget	Budget Increases (Decreases) From 2004 to 2005	
			Amount	Percent
<b>Operating Revenues:</b>				
Tuition and Fees	\$ -	-	-	-
Federal Sponsored Programs	4,888,966	5,805,732	916,766	18.8%
State Sponsored Programs	435,266	452,677	17,411	4.0%
Local and Private Sponsored Programs	1,273,015	1,680,380	407,365	32.0%
Net Sales and Services of Educational Activities	2,339,491	2,893,417	553,926	23.7%
Net Sales and Services of Hospital and Clinics	61,365,856	53,840,361	(7,525,495)	-12.3%
Net Professional Fees	13,150,470	14,299,464	1,148,994	8.7%
Net Auxiliary Enterprises	1,171,804	893,748	(278,056)	-23.7%
Other Operating Revenues	3,650,555	3,661,277	10,722	0.3%
<b>Total Operating Revenues</b>	<b>88,275,423</b>	<b>83,527,056</b>	<b>(4,748,367)</b>	<b>-5.4%</b>
<b>Operating Expenses:</b>				
Instruction	8,453,426	8,919,114	465,688	5.5%
Academic Support	-	-	-	-
Research	13,398,523	12,003,951	(1,394,572)	-10.4%
Public Service	-	-	-	-
Hospitals and Clinics	86,959,199	82,262,552	(4,696,647)	-5.4%
Institutional Support	8,338,084	8,888,834	550,750	6.6%
Student Services	-	-	-	-
Operations and Maintenance of Plant	10,358,357	7,894,755	(2,463,602)	-23.8%
Scholarships and Fellowships	-	-	-	-
Auxiliary Enterprises	769,977	852,071	82,094	10.7%
<b>Total Operating Expenses</b>	<b>128,277,566</b>	<b>120,821,277</b>	<b>(7,456,289)</b>	<b>-5.8%</b>
<b>Operating Surplus/Deficit</b>	<b>(40,002,143)</b>	<b>(37,294,221)</b>	<b>2,707,922</b>	<b>-6.8%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	37,475,619	35,891,251	(1,584,368)	-4.2%
Gifts in Support of Operations	683,694	469,490	(214,204)	-31.3%
Net Investment Income	2,574,779	2,553,404	(21,375)	-0.8%
Other Non-Operating Revenue	1,079,396	1,000,000	(79,396)	-7.4%
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>41,813,488</b>	<b>39,914,145</b>	<b>(1,899,343)</b>	<b>-4.5%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(1,031,075)	(1,745,578)	(714,503)	69.3%
Other Additions and Transfers	-	-	-	-
Other Deductions and Transfers	(219,255)	-	219,255	-100.0%
<b>Total Transfers and Other</b>	<b>(1,250,330)</b>	<b>(1,745,578)</b>	<b>(495,248)</b>	<b>39.6%</b>
<b>Surplus/(Deficit)</b>	<b>\$ 561,015</b>	<b>874,346</b>	<b>313,331</b>	<b>55.9%</b>
Total Revenues	\$ 130,088,911	123,441,201	(6,647,710)	-5.1%
Total Expenses and Debt Service Transfers	(129,308,641)	(122,566,855)	6,741,786	-5.2%
<b>Surplus (Deficit)</b>	<b>\$ 780,270</b>	<b>874,346</b>	<b>94,076</b>	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

## B. Statistical Profile

### UT Health Center - Tyler

<i>academic year</i>				02-03	03-04
Accredited GME resident programs				2	2
Residents in GME accredited programs				24	23

<i>fiscal year</i>	2000	2001	2002	2003	2004
Federal research expenditures	\$2,807,980	\$3,063,099	\$2,783,554	\$3,493,251	\$4,659,021

<i>fall</i>	2000	2001	2002	2003	2004
All instructional staff	102	112	119	110	107
Classified employees	1,082	1,061	1,036	1,048	1,067
Administrative/professional employees	75	97	81	94	93
Student employees	11	14	13	11	8

<i>fiscal year</i>	1999	2000	2001	2002	2003
Hospital admissions	3,504	3,714	3,554	3,805	3,765
Hospital days	28,163	29,802	29,451	29,021	26,942
Clinic visits	126,585	132,772	135,978	140,473	119,515
Un-sponsored charity care (charges)	\$2,619,752	\$3,261,170	\$4,992,457	\$5,405,720	\$6,814,083

<i>as of</i>	8/31/99				8/31/04
Endowment total value	\$16,473,000				\$31,729,000