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Board Meeting: 8/23/2007
Edinburg, Texas

Rita C. Clements, Chairman
H. Scott Caven, Jr.
Judith L. Craven, M.D.
Cyndi Taylor Krier
Robert B. Rowling

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2. U. T. Health Science Center - San Antonio: Honorific naming of the library at the Regional Academic Health Center (RAHC) in Harlingen, Texas, as the Mario E. Ramirez, M.D. Library	9:15 a.m. Action President Cigarroa Dr. Safady	Action	169
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Adjourn	9:55 a.m.		

1. **U. T. System: Approval to set The University of Texas System Professional Medical Liability Benefit Plan premium rates for Fiscal Year 2008 and distribute a portion of Plan premium returns**

RECOMMENDATION

The Chancellor concurs in the recommendations of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel, after consultation with the actuary for The University of Texas System Professional Medical Liability Plan (Plan), that

- a. Plan Participant premium rates for faculty and residents for Fiscal Year 2008 for the Plan be reduced by 40% from the rates for Fiscal Year 2007, with the exception of medical student out-of-state externship rates to be reduced by 50%;
- b. all other Plan Participant premium rates, including institutional and medical student rates, for Fiscal Year 2008 remain unchanged from the rates for Fiscal Year 2007; and
- c. as part of a three-four year plan to reduce the Plan fund balance to minimal reserve requirements, \$30 million be distributed from Plan premium returns as follows: \$25 million to the participating U. T. System institutions pro rata in accordance with the premium contributions of Plan Participants at each participating institution and \$5 million to establish a major new System-wide initiative in health science and professional education.

The proposed premium rates for faculty and residents for Fiscal Year 2008 are set forth in Exhibit 1 (Pages 166 - 167). The proposed distribution of \$25 million in Plan premium returns to participating institutions is set forth in Exhibit 2 (Page 168).

BACKGROUND INFORMATION

The health science and professional education effort to be funded with \$5 million from the Plan would have two areas of focus, both of which would benefit the Plan by improving patient care and research leading to improved litigation positions.

First, funding would be used for the creation of a U. T. System Web site, which would make web-based curricula available to all health schools in the U. T. System (including those on academic campuses). These courses may have been developed by a health school within or outside of the U. T. System with considerable time and effort by faculty at that campus. Funds may be used to pay licensing fees, if necessary, to make the

best courses available. In addition, specific courses may be created through this project by teams of U. T. faculty who may be from several campuses. A library of "virtual patients" will be created, including interviews, history, physical examinations, tests, x-rays, and biopsies, which can be used by individual students or groups of students for learning or testing purposes. A collection of teaching materials, e.g., electrocardiograms, pathologic specimens, and endoscopic views, which can be used for teaching purposes upon achieving copyright permission, would be available across the U. T. System. This dispersal of information and greater availability of education will, over the long term, decrease the risk of significant litigation related to malpractice claims.

The second portion of the program will be a competitive grant program to fund transformational changes in education, including the uses of technology, reorganization of curricula, and interdisciplinary learning by multiple health professional students who might be joined, for example, by Health Policy or law students. An outcome of this activity would be improved quality of care and patient safety in the U. T. System, further reducing the chances of costly and time-consuming litigation. This project titled "Transformational Programs in Health Education" will be led by the newly appointed Executive Director of Academic Programs in the Office of Health Affairs. It will be implemented in collaboration with the members of the U. T. System Academy of Health Science Education and the academies at the various campuses.

Exhibit 1

The University of Texas System Professional Medical Liability Benefit Plan
Summary of Annual Rates* by Risk Class by Institution

Institution	Physician Risk Class 1				Percentage Rate Change	
	Rates As of 9/1/2006		Proposed Rates As of 9/1/2007		Staff	Resident
	Staff	Resident	Staff	Resident		
UTMDACC	\$1,025	\$959	\$612	\$576	-40%	-40%
UTSWMC	1,019	953	612	576	-40%	-40%
UTMB	1,675	1,567	1,008	936	-40%	-40%
UTHSCH	1,624	1,519	972	912	-40%	-40%
UTHSCSA	1,214	1,137	732	684	-40%	-40%
UTHCT	1,452	1,358	876	816	-40%	-40%
UTAustin	1,214	1,137	732	684	-40%	-40%
UTA	1,214	1,137	732	684	-40%	-40%
UTSA	1,214	1,137	732	684	-40%	-40%

Institution	Physician Risk Class 2				Percentage Rate Change	
	Rates As of 9/1/2006		Proposed Rates As of 9/1/2007		Staff	Resident
	Staff	Resident	Staff	Resident		
UTMDACC	\$1,603	\$1,500	\$960	\$900	-40%	-40%
UTSWMC	1,594	1,491	960	900	-40%	-40%
UTMB	2,620	2,453	1,572	1,476	-40%	-40%
UTHSCH	2,541	2,378	1,524	1,428	-40%	-40%
UTHSCSA	1,899	1,780	1,140	1,068	-40%	-40%
UTHCT	2,272	2,126	1,368	1,272	-40%	-40%
UTAustin	1,899	1,780	1,140	1,068	-40%	-40%
UTA	1,899	1,780	1,140	1,068	-40%	-40%
UTSA	1,899	1,780	1,140	1,068	-40%	-40%

Institution	Physician Risk Class 3				Percentage Rate Change	
	Rates As of 9/1/2006		Proposed Rates As of 9/1/2007		Staff	Resident
	Staff	Resident	Staff	Resident		
UTMDACC	\$2,562	\$2,397	\$1,536	\$1,440	-40%	-40%
UTSWMC	2,546	2,382	1,524	1,428	-40%	-40%
UTMB	4,185	3,918	2,508	2,352	-40%	-40%
UTHSCH	4,059	3,799	2,436	2,280	-40%	-40%
UTHSCSA	3,034	2,843	1,824	1,704	-40%	-40%
UTHCT	3,630	3,396	2,184	2,040	-40%	-40%
UTAustin	3,034	2,843	1,824	1,704	-40%	-40%
UTA	3,034	2,843	1,824	1,704	-40%	-40%
UTSA	3,034	2,843	1,824	1,704	-40%	-40%

Institution	Physician Risk Class 4				Percentage Rate Change	
	Rates As of 9/1/2006		Proposed Rates As of 9/1/2007		Staff	Resident
	Staff	Resident	Staff	Resident		
UTMDACC	\$4,765	\$4,458	\$2,856	\$2,676	-40%	-40%
UTSWMC	4,735	4,430	2,844	2,664	-40%	-40%
UTMB	7,785	7,287	4,668	4,368	-40%	-40%
UTHSCH	7,550	7,066	4,536	4,236	-40%	-40%
UTHSCSA	5,642	5,288	3,384	3,168	-40%	-40%
UTHCT	6,750	6,317	4,056	3,792	-40%	-40%
UTAustin	5,642	5,288	3,384	3,168	-40%	-40%
UTA	5,642	5,288	3,384	3,168	-40%	-40%
UTSA	5,642	5,288	3,384	3,168	-40%	-40%

Exhibit 1 (cont'd)

The University of Texas System Professional Medical Liability Benefit Plan
Summary of Annual Rates by Risk Class by Institution

Institution	Physician Risk Class 5				Percentage Rate Change	
	Rates As of 9/1/2006		Proposed Rates As of 9/1/2007		Staff	Resident
	Staff	Resident	Staff	Resident		
UTMDACC	\$7,019	\$6,568	\$4,212	\$3,936	-40%	-40%
UTSWMC	6,976	6,526	4,188	3,912	-40%	-40%
UTMB	11,468	10,735	6,876	6,444	-40%	-40%
UTHSCH	11,120	10,408	6,672	6,240	-40%	-40%
UTHSCSA	8,312	7,791	4,992	4,680	-40%	-40%
UTHCT	9,943	9,306	5,964	5,580	-40%	-40%
UTAustin	8,312	7,791	4,992	4,680	-40%	-40%
UTA	8,312	7,791	4,992	4,680	-40%	-40%
UTSA	8,312	7,791	4,992	4,680	-40%	-40%

Institution	General Dentist Risk Class A				Percentage Rate Change	
	Rates As of 9/1/2006		Proposed Rates As of 9/1/2007		Staff	Resident
	Staff	Resident	Staff	Resident		
UTMDACC	358	335	\$216	\$204	-40%	-40%
UTSWMC	357	333	216	204	-40%	-40%
UTMB	586	548	348	324	-40%	-40%
UTHSCH	568	532	336	324	-40%	-40%
UTHSCSA	425	398	252	240	-40%	-40%
UTHCT	508	475	300	288	-40%	-40%
UTAustin	425	398	252	240	-40%	-40%
UTA	425	398	252	240	-40%	-40%
UTSA	425	398	252	240	-40%	-40%

Institution	Oral Surgery Risk Class B				Percentage Rate Change	
	Rates As of 9/1/2006		Proposed Rates As of 9/1/2007		Staff	Resident
	Staff	Resident	Staff	Resident		
UTMDACC	1,603	1,500	\$960	\$900	-40%	-40%
UTSWMC	1,594	1,491	960	900	-40%	-40%
UTMB	2,620	2,453	1,572	1,476	-40%	-40%
UTHSCH	2,541	2,378	1,524	1,428	-40%	-40%
UTHSCSA	1,899	1,780	1,140	1,068	-40%	-40%
UTHCT	2,272	2,126	1,368	1,272	-40%	-40%
UTAustin	1,899	1,780	1,140	1,068	-40%	-40%
UTA	1,899	1,780	1,140	1,068	-40%	-40%
UTSA	1,899	1,780	1,140	1,068	-40%	-40%

*For ease in administration, all premium rates have been rounded.

Exhibit 2
The University of Texas System Professional Medical Liability Benefit Plan
Proposed Distribution of Plan Returns

Pro Rata Distribution to Institutions (rounded for ease in presentation):

<u>Institution</u>	<u>*2007 Premium</u>	<u>% Distribution</u>	<u>Distribution</u>
UTA	\$ 1,065	0.005%	\$ 1,298
UTD	1,422	0.007%	1,732
UTSA	3,121	0.015%	3,802
UTAustin	37,435	0.182%	45,606
UTHCT	209,250	1.020%	254,923
UTHSCH	2,498,547	12.176%	3,043,907
UTHSCSA	3,795,520	18.496%	4,623,972
UTMDACC	2,636,053	12.846%	3,211,427
Medical Foundation	1,639,406**	7.989%	1,997,241
UTSWMC	4,100,985	19.984%	4,996,110
UTMB	5,598,084	27.280%	6,819,983
Total	<u>20,520,889</u>	<u>100.000%</u>	<u>\$ 25,000,000</u>

*Includes FY2006 final billing adjustments of \$40,686.

**Estimated Medical Foundation 4th quarter premium amount.

Health Science and Professional Education Initiative:

5,000,000

TOTAL PROPOSED DISTRIBUTION

\$ 30,000,000

2. **U. T. Health Science Center - San Antonio: Honorific naming of the library at the Regional Academic Health Center (RAHC) in Harlingen, Texas, as the Mario E. Ramirez, M.D. Library**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for External Relations, and President Cigarroa that the U. T. System Board of Regents approve the honorific naming of the library at the Regional Academic Health Center (RAHC) in Harlingen, Texas, as the Mario E. Ramirez, M.D. Library to honor Dr. Ramirez and to recognize the significant contributions he has made to the U. T. System and to the citizens of South Texas.

BACKGROUND INFORMATION

The library comprises 8,595 square feet in the RAHC in Harlingen, Texas. A student-focused space, the library houses many files and historical documents collected by Dr. Ramirez, including documentation of the building of the first hospital in Roma, Texas, and correspondence with at least four Presidents of the United States.

Dr. Ramirez spent his working lifetime encouraging young people to enter the health professions and providing quality and accessible healthcare for thousands of citizens in South Texas. He served as a member of the Board of Regents of The University of Texas System from 1989-1995, as a member of the Texas Higher Education Coordinating Board from 1979-1986, and as the first Hispanic President of the Texas Medical Association from 1979-1980. From 1995-2007, Dr. Ramirez was employed as Vice President for South Texas Programs at U. T. Health Science Center - San Antonio.

The proposed naming is consistent with the Regents' *Rules and Regulations*, Series 80307, relating to the honorific naming of facilities because of the significant contribution of service to the U. T. System evidenced by Dr. Ramirez.

3. **U. T. Health Science Center - San Antonio: Honorific naming of the cyclotron wing of the Research Imaging Center on the Greehey Academic and Research Campus as The Ruth McLean Bowman Bowers Cyclotron Wing**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for External Relations, and President Cigarroa that the U. T. System Board of Regents approve the honorific naming of the cyclotron wing of the Research Imaging Center on the Greehey Academic and Research Campus as The Ruth McLean Bowman Bowers Cyclotron Wing to recognize the significant contributions and commitment of Mrs. Ruth McLean Bowers to the U. T. Health Science Center - San Antonio and to the lives of its patients.

BACKGROUND INFORMATION

The Research Imaging Center is a laboratory dedicated to biomedical imaging research. Its mission is to perform basic and clinical research using noninvasive, biomedical imaging methods for measuring the structure and function of living organisms. A recent gift of \$1.6 million from Mrs. Ruth McLean Bowman Bowers made possible the purchase of a second cyclotron for the Center and provided space for radiochemistry production laboratories. Less than five research centers in the nation have two cyclotrons. The addition of the second cyclotron will allow U. T. Health Science Center - San Antonio to recruit additional imaging scientists and will position the institution among the most prestigious, state-of-the-art imaging research centers in the country.

Since 1994, Mrs. Bowers has been an avid supporter of the U. T. Health Science Center - San Antonio with cumulative gifts of approximately \$2 million. She has been an active member of the President's Council for 14 years and is a founding member of the Greehey Children's Cancer Research Institute's Ambassador's Circle.

Her contributions to civic and philanthropic causes in San Antonio are legendary throughout South Texas and beyond. Among her many distinguished awards are the 2002 San Antonio Annual Humanitarian Award, League of Women Voters 2005 Stars of San Antonio, and induction into the San Antonio Women's Hall of Fame on March 1, 2007.

The proposed naming is consistent with the Regents' *Rules and Regulations*, Series 80307, relating to the honorific naming of facilities because of the significant history of contributions and support evidenced by Mrs. Bowers.

4. **U. T. M. D. Anderson Cancer Center: Authorization to ground lease approximately 0.5430 of an acre of unimproved land located at Braeswood Boulevard and Pressler Street from the Texas Medical Center, a Texas nonprofit corporation, and to convey an excavation and access easement covering approximately 0.4697 of an acre of unimproved land adjacent to Brays Bayou between Braeswood Boulevard and Holcombe Boulevard to the Harris County Flood Control District, a political subdivision, both tracts being located in the P. W. Rose Survey, Abstract 645, Houston, Harris County, Texas, to facilitate construction of a parking garage**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and President Mendelsohn that authorization be granted by the U. T. System Board of Regents, on behalf of The University of Texas M. D. Anderson Cancer Center, to

- a. ground lease approximately 0.5430 of an acre of unimproved land located at Braeswood Boulevard and Pressler Street, P. W. Rose Survey, Abstract 645, Houston, Harris County, Texas, from the Texas Medical Center, a Texas nonprofit corporation, for use as an access driveway to a parking garage to be constructed and owned by U. T. M. D. Anderson Cancer Center;
- b. convey an excavation and access easement covering approximately 0.4697 of an acre of unimproved land adjacent to Brays Bayou between Braeswood Boulevard and Holcombe Boulevard, P. W. Rose Survey, Abstract 645, Houston, Harris County, Texas, to the Harris County Flood Control District, a political subdivision, to facilitate construction of the parking garage; and
- c. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to the approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendations.

BACKGROUND INFORMATION

U. T. M. D. Anderson Cancer Center plans to build a 2,400-car parking garage on an approximately 6.2616-acre tract adjacent to Brays Bayou in Houston, Texas. The garage will serve the T. Boone Pickens Academic Tower, which is presently under construction, and the Jesse H. Jones Rotary House International. The U. T. M. D. Anderson Cancer Center Master Plan approved by the Board on May 11, 2000,

envisions a parking garage to serve the Jesse H. Jones Rotary House International. The garage was approved by the Board for inclusion in the Capital Improvement Program on May 11, 2006. The plans for the garage call for an access driveway to the parking garage to cross a 0.5430-acre tract owned by the Texas Medical Center.

The Texas Medical Center is willing to grant the institution a long-term lease of 99 years, plus one 99-year renewal option, to permit the driveway to cross the 0.5430-acre tract. The Cancer Center will pay Texas Medical Center a prepaid ground rental of \$1.2 million and grant the Texas Medical Center an easement over an adjoining approximately 0.0918 of an acre for possible future construction by the City of Houston or the Texas Medical Center of the extension of Pressler Street. Total rental for the 99-year extension term is \$99.

Related to the garage construction project is a channel-widening project by the Harris County Flood Control District. On June 13, 2000, the Harris County Commissioners Court adopted the "Brays Bayou Flood Damage Reduction Plan," which includes channel widening of Brays Bayou from the upstream side of Holcombe Boulevard to the downstream side of South Braeswood Boulevard in the Texas Medical Center. To implement the plan, the Harris County Flood Control District requires the acquisition of an easement across a 0.4697-acre tract that is adjacent to the existing Brays Bayou. The Harris County Flood Control District will pay the Cancer Center \$1,720,157 for the easement. Soil excavated within the easement area will be used by U. T. M. D. Anderson Cancer Center as fill material in the construction of the parking garage.

The terms and conditions of the ground lease and easement are reflected in the transaction summary below:

Transaction Summary

Ground Lease from Texas Medical Center

Institution:	U. T. M. D. Anderson Cancer Center
Type of Transaction:	Ground lease of unimproved land
Total Land Area:	Approximately 0.5430 of an acre
Location:	Braeswood Boulevard and Pressler Street, P. W. Rose Survey, Abstract 645, Houston, Harris County, Texas
Landlord:	Texas Medical Center, a Texas nonprofit corporation
Tenant:	The Board of Regents of The University of Texas System

Consideration: \$1.2 million prepaid rental for the initial 99-year term, plus the grant of an easement across an approximately 0.0918-acre tract to Texas Medical Center for the possible future extension of Pressler Street by the City of Houston or the Texas Medical Center; rental for the second 99-year term will be a total of \$99

Appraised Value: \$1,571,894 (Michael J. Urban Real Estate Appraisers and Consultants, July 20, 2006)

Source of Funds: Local Hospital Margins

Lease Term: 99 years, plus one renewal option of 99 years

Intended Use: Driveway access for U. T. M. D. Anderson Cancer Center's planned parking garage

Harris County Flood Control District Easement

Institution: U. T. M. D. Anderson Cancer Center

Type of Transaction: Easement

Total Land Area: Approximately 0.4697 of an acre

Location: Adjacent to Brays Bayou between Braeswood Boulevard and Holcombe Boulevard, P. W. Rose Survey, Abstract 645, City of Houston, Harris County, Texas

Easement Grantee: Harris County Flood Control District, a political subdivision

Easement Purchase Price: \$1,720,157

Appraised Value: \$1,720,157 (Michael J. Urban Real Estate Appraisers and Consultants, July 20, 2006)

Easement Purpose: Excavation, widening, construction, and maintenance of flood control facilities within Brays Bayou

5. **U. T. System: Quarterly report on health issues by Executive Vice Chancellor Shine**

REPORT

Executive Vice Chancellor Shine will report on health matters of interest to the U. T. System. This is a quarterly update to the Health Affairs Committee of the U. T. System Board of Regents.