

Legislative Appropriations Request Fiscal Years 2012 and 2013

Presented to

The Governor's Office of Budget, Planning and Policy
and
The Legislative Budget Board

by

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President

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About UTHealth

- ❖ In the Texas Medical Center – the world’s largest; 6 million patient visits per year
- ❖ Train more than 5000 of the future health care workforce in our 6 schools:
 - Medical School
 - Dental Branch
 - School of Nursing
 - School of Public Health
 - Graduate School of Biomedical Sciences
 - School of Biomedical Informatics
- ❖ Provide comprehensive, multi-specialty care for 1 million patient visits annually
- ❖ Major impact on health across the State of Texas



UT School of Public Health Students

UT School of Public Health is Connecting Education, Research, Prevention, and Community Service

★ UT School of Public Health at Houston
Main Campus

UTHealth
University of Houston
Baylor College of Medicine
UT M.D. Anderson

★ UT School of Public Health
El Paso Regional Campus

UT-El Paso
Hispanic Health Disparities Research Center
Texas Tech University Health Science Center

★ UT School of Public Health
Austin Regional Campus

UT-Austin
TX Department of State Health Services

★ UT School of Public Health
Dallas Regional Campus

UT-Southwestern
TX Department of State Health Services Region 2/3

★ UT School of Public Health
San Antonio Regional Campus

UT-San Antonio
UTHSC-San Antonio
Local Health Departments

★ UT School of Public Health
Brownsville Regional Campus

UT-Brownsville
Hispanic Health Research Center

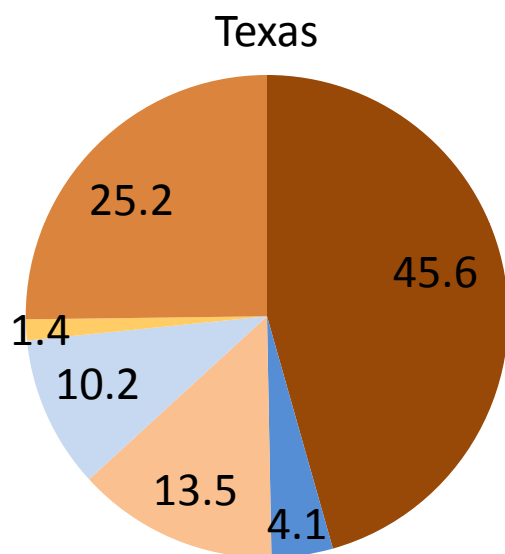


Implementation of Federal Health Care Reform

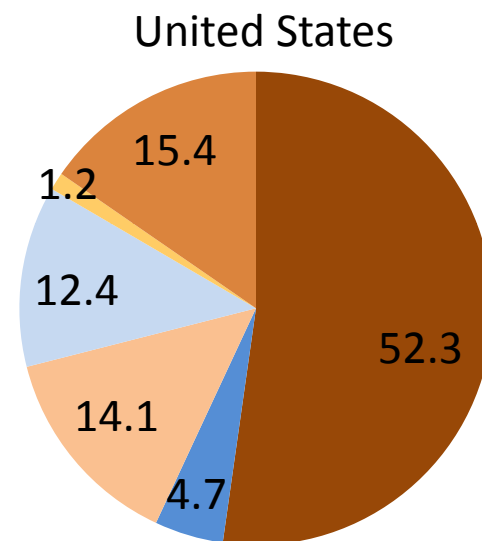
- ❖ State of Texas facing new challenges with passage of federal health care reform:
 - ❖ Implications unknown as rules and regulations are drafted
 - ❖ Health care workforce shortages in all disciplines
 - ❖ Impact of significant increase in Medicaid patients and shift to government exchanges

Implementation of Federal Health Care Reform

Distribution by Insurance Status, 2007-08



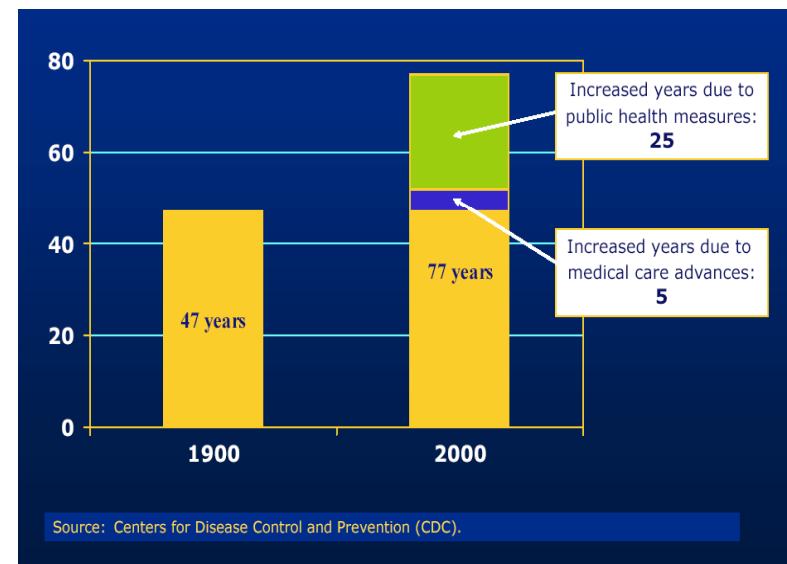
45.6%
4.1%
13.5%
10.2%
1.4%
25.2%



Employer 52.3%
Individual 4.7%
Medicaid 14.1%
Medicare 12.4%
Other Public 1.2%
Uninsured 15.4%

Implementation of Federal Health Care Reform

- ❖ State of Texas facing new challenges with passage of federal health care reform:
 - ❖ Health Information Technology
 - ❖ New Models for Payment
 - ❖ Prevention and wellness
- ❖ UTHealth is prepared to help Texas tackle these challenges



Prevention accounts for 25 of 30 years of life gained in the past century

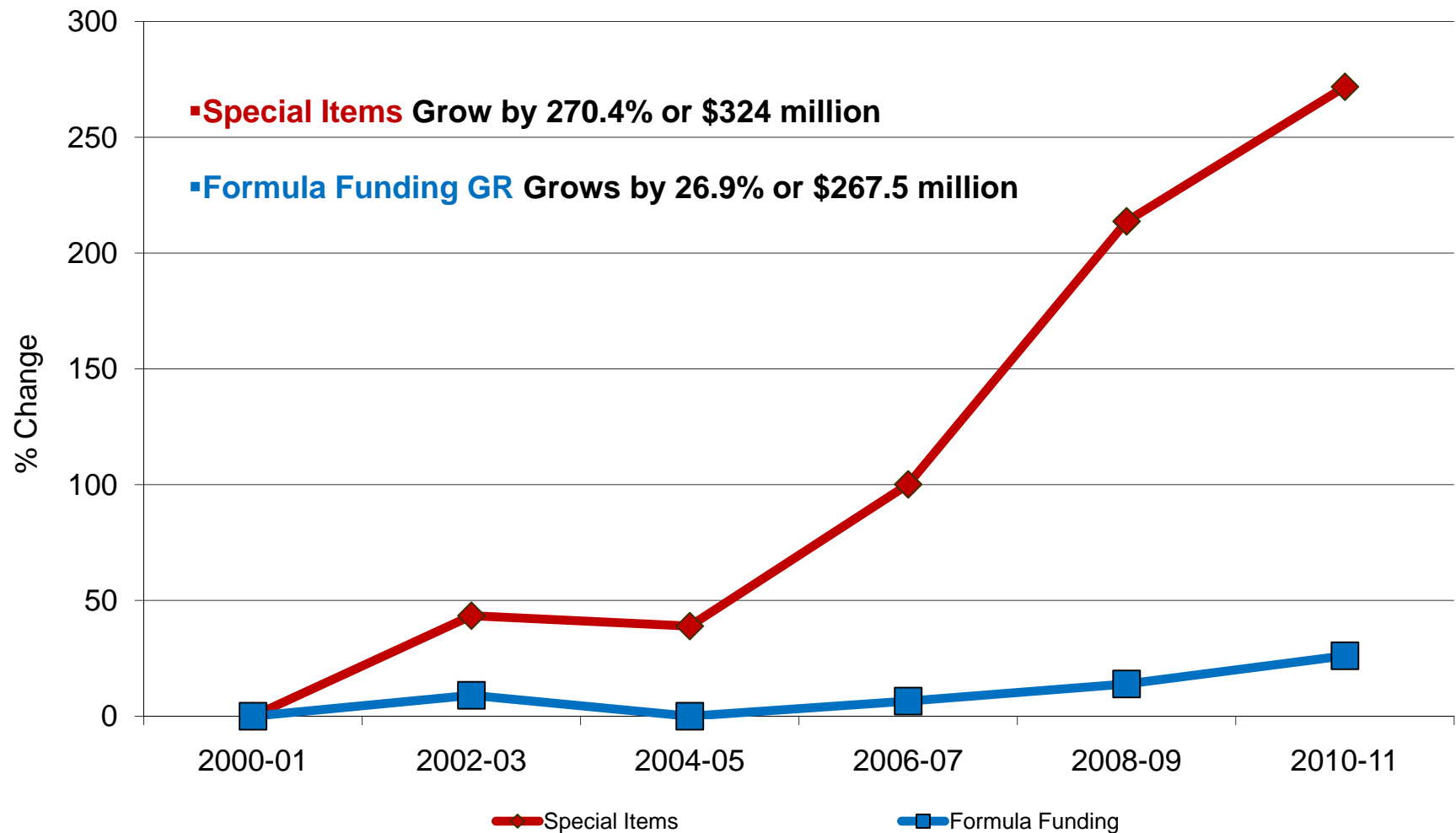
FY 2012 and FY 2013 Funding Priorities

- ❖ Restoration of general revenue to replace ARRA funds used to supplement formula funding
 - ❖ \$51 million total in ARRA for health-related institutions – taken from Instruction & Operations and Graduate Medical Education formulas
 - ❖ \$9.6 million ARRA formula for UTHealth – largest of any health-related institution
- ❖ Restoration of \$13.7 million from previously approved 5% reduction for FY 2010-11
- ❖ With current 5% reduction and ARRA formula loss, UTHealth will receive less general revenue for FY 2010-11 compared to FY 2008-09

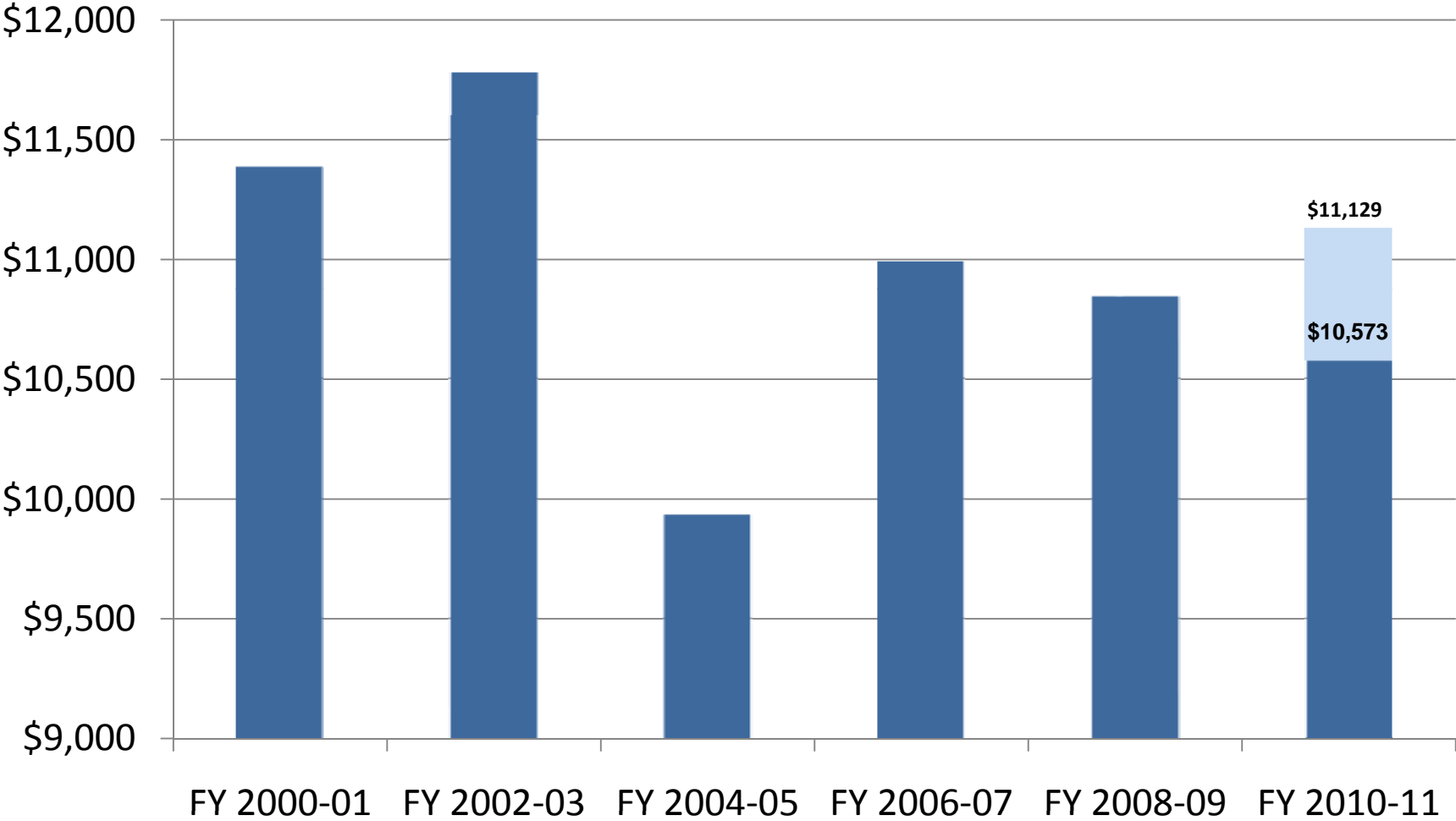
Formula Funding Does Not Keep Pace With Growth ...in students, space, research

	Historical HRI Formula Funding			THECB Recommendations
	FY 2000-01	FY 2010-11	% Change	FY 2012-13
Instruction & Operation Formula (Base Per Student)	\$11,383	\$11,129	-2.2%	\$11,129
Growth in Students	12,631	18,386	45.6%	
Infrastructure Support Formula (Base Per Square Foot)	\$11.18	\$7.90	-28.6%	\$7.90
Growth in Predicted Square Feet	10,195,292	16,944,456	32.6%	
Research Enhancement Formula (Base Per Research Expenditure)	2.85%	1.48%	-47.4%	1.48%
Growth in Research	\$584,394,590	\$1,545,608,201	164.5%	
Graduate Medical Education (Base Per Resident)	N/A	\$6,653	N/A	\$6,653

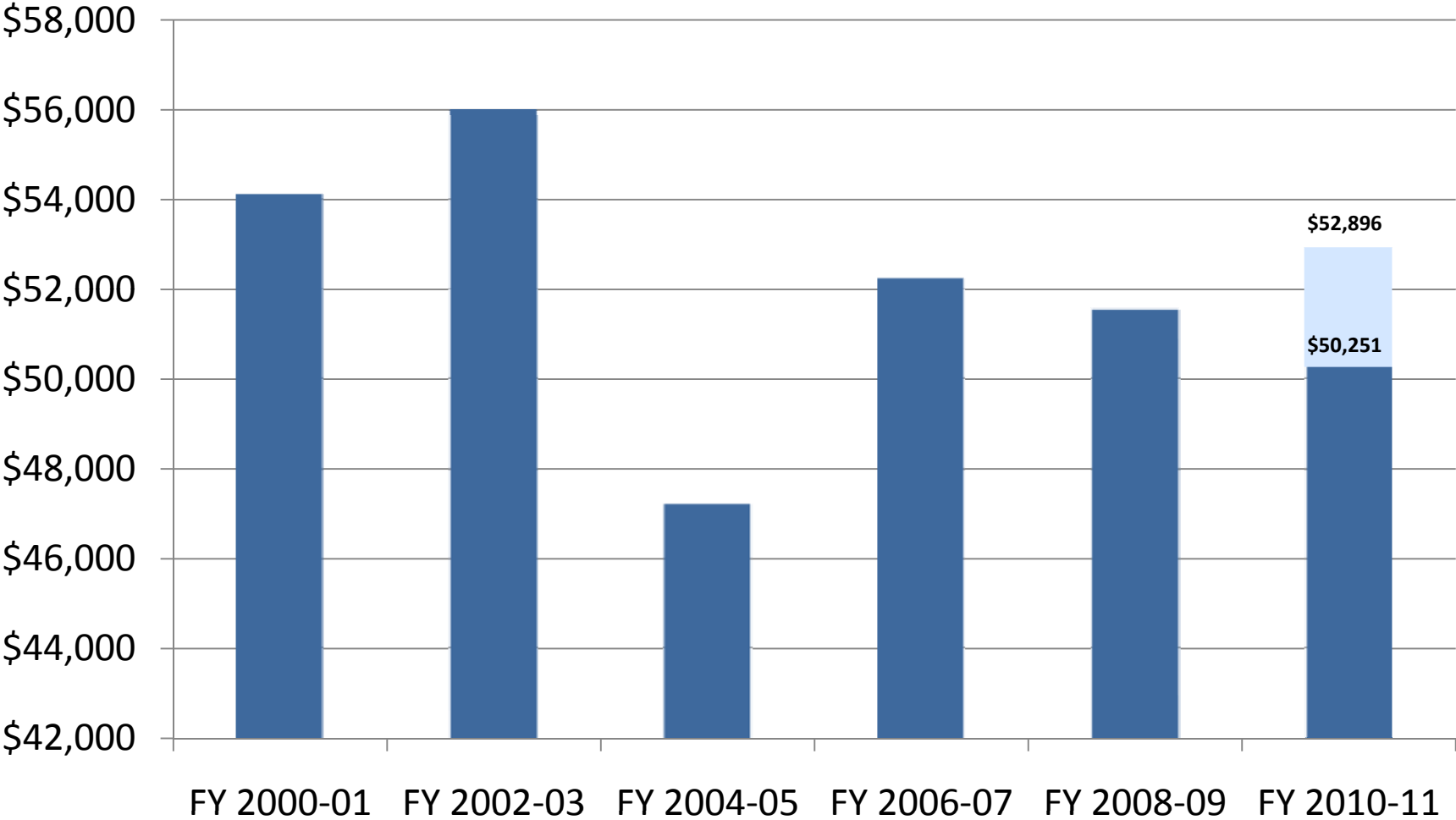
Growth in Special Items Exceeds Growth in Formula Funding from FY 2000 – FY 2011



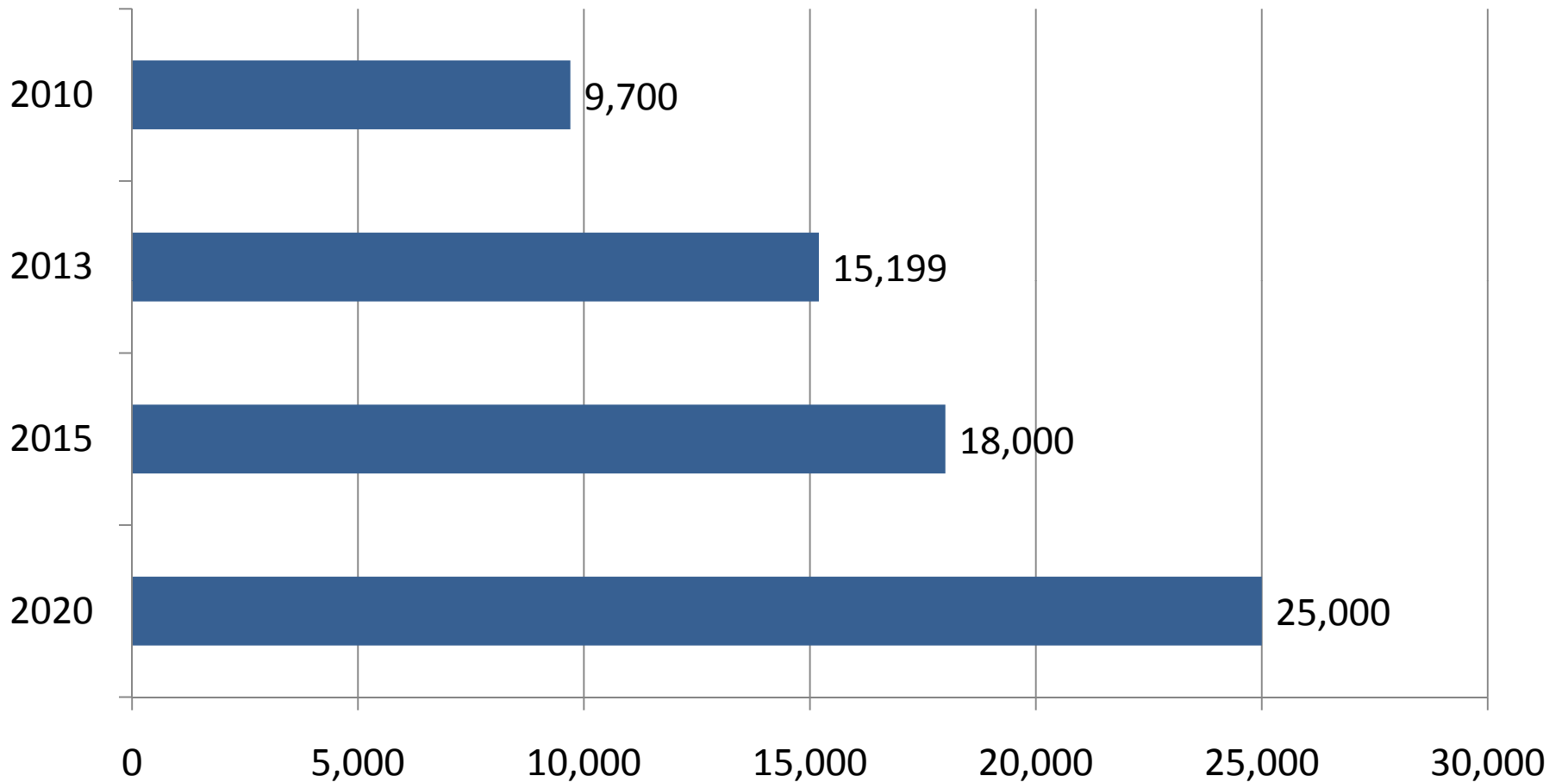
Maintaining Per Student Funding is Most Critical Issue to UTHealth



Maintaining Per Student Funding is Most Critical Issue to UTHealth (ex. Medical Education)

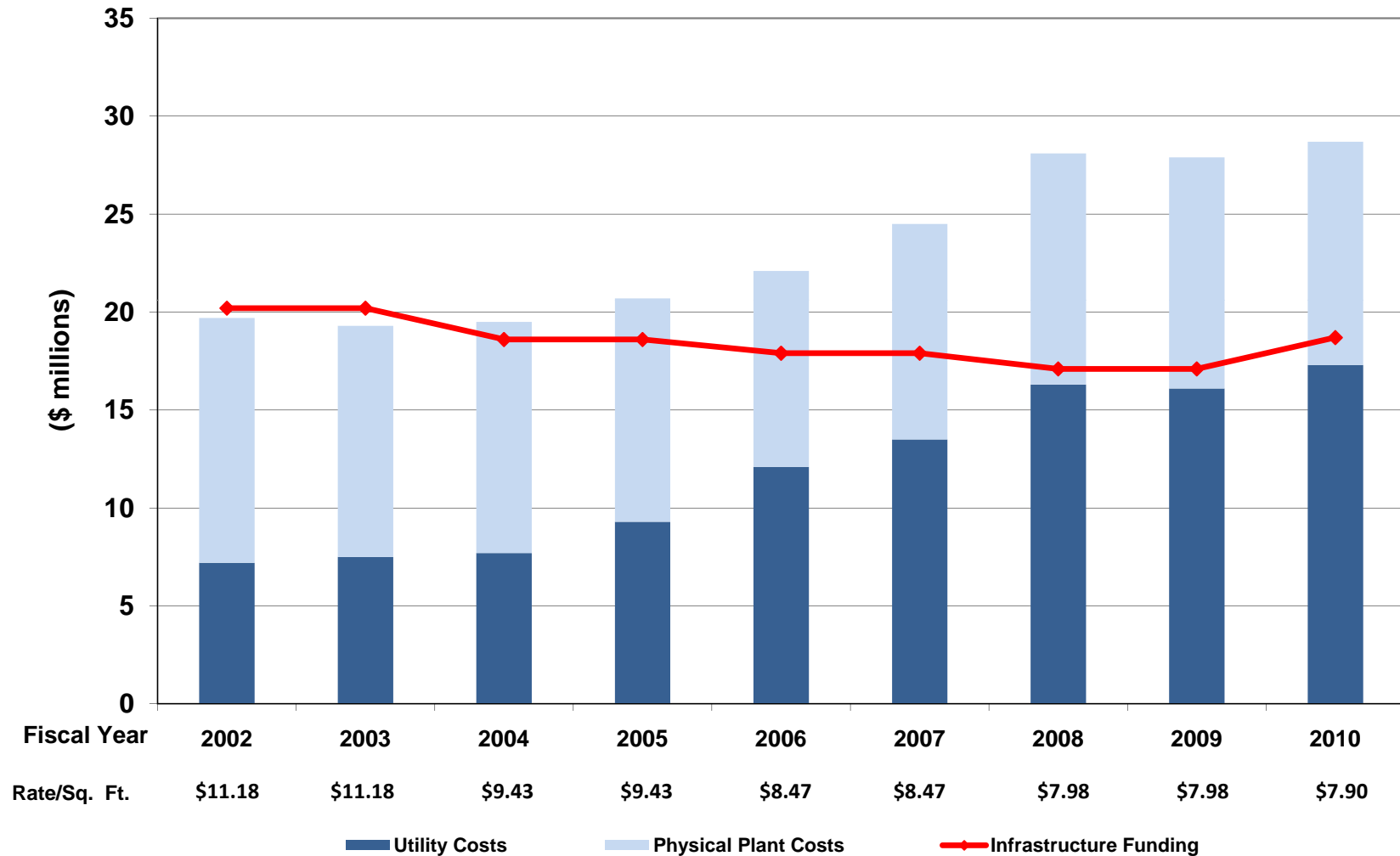


Nursing Graduates Needed for Supply to Meet Demand



Source: TX Department of State Health Services, Texas Center for Nursing Workforce Studies

Infrastructure Funding Does Not Keep Pace with Utilities and Plant Costs



Formula Funding – Most Critical Issue to UTHealth

- ❖ **Request:** Full funding of Coordinating Board recommendations for health institutions on a per unit basis – especially including growth:
 - ❖ Instruction & Operations (students) – fund using FTSE count as of Spring 2011 enrollment data
 - ❖ Infrastructure (physical plant operation/utilities)
 - ❖ Research
 - ❖ Graduate Medical Education
- ❖ Restoration of general revenue to replace \$51 million (\$9.6 million UTHealth) in ARRA funds used in FY 2010-11 to supplement formulas

Exceptional Item 1 – Public Health

- ❖ School of Public Health addresses urgent health needs
 - ❖ Cost to Texas of the obesity epidemic will reach \$39 BILLION by the year 2040 when it is predicted that 3 of every 4 Texans will be overweight or obese.
 - ❖ 3/4 of all health care expenditures are spent on chronic diseases that are largely preventable
 - ❖ UTHealth School of Public Health is most capable with regional campus system throughout Texas
- ❖ **Request:** \$9.5 million/biennium in general revenue to replace ARRA funds



Exceptional Item 2 – Trauma

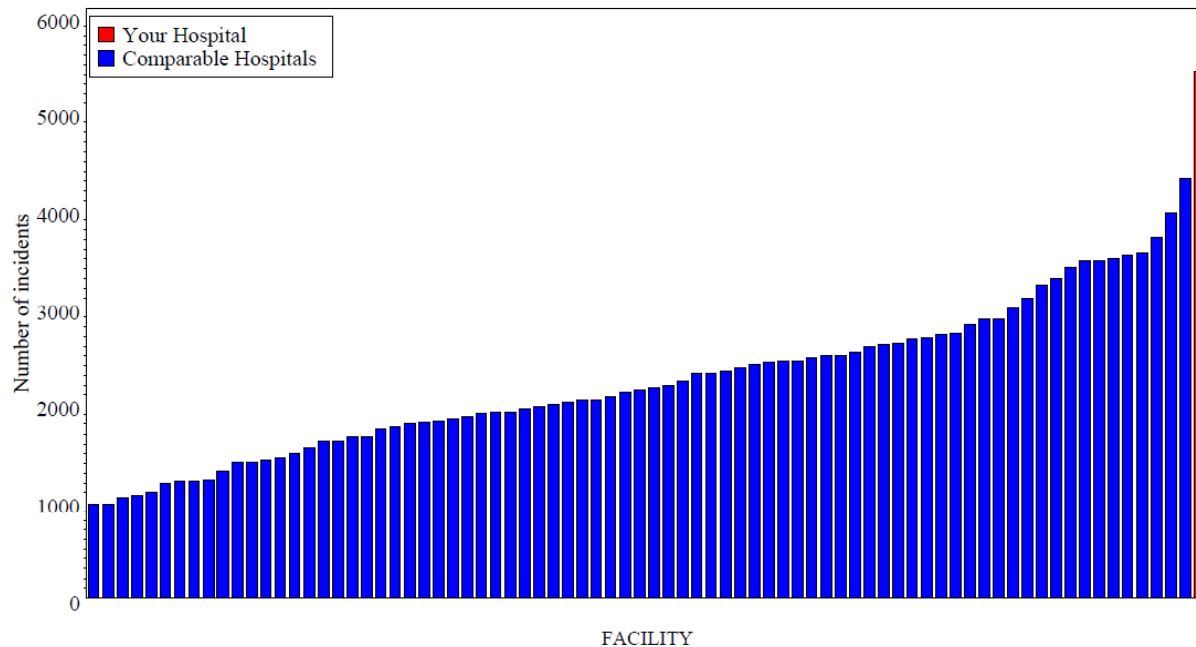


Benchmark Report 2009
Facility ID : 48022
Comparison Group: Trauma Level I and Bed Size > 600

Number of Incidents per Facility

Mortality Increases When Level I Trauma Centers are on Diversion

Major /Extreme Injury (Transfers)
Significant Diversion Days
25% Mortality
Non-Significant Diversion Days
14% Mortality



UTHealth staff largest volume trauma center in the United States
Red line = Memorial Hermann-TMC Hospital

Exceptional Item 2 – Trauma

- ❖ **American College of Surgeons' Texas Trauma Facility Study 2010**
 - ❖ Response to Article II Rider 90, SB 1, 2009. Contracted by DSHS to Assess Trauma Capacity in Texas, especially Houston-Galveston
 - ❖ Houston's two Level I trauma centers serve a region with more than 7 million Texans. General recommendations are one Level I trauma center per 1 million population
 - ❖ "The two Level I Houston trauma centers are extremely busy trauma centers and are at the apex of volume in the United States."
 - ❖ "...it is the opinion of the American College of Surgeons site visit team that the trauma capacity of the Houston hospitals is insufficient to meet daily and surge demands."

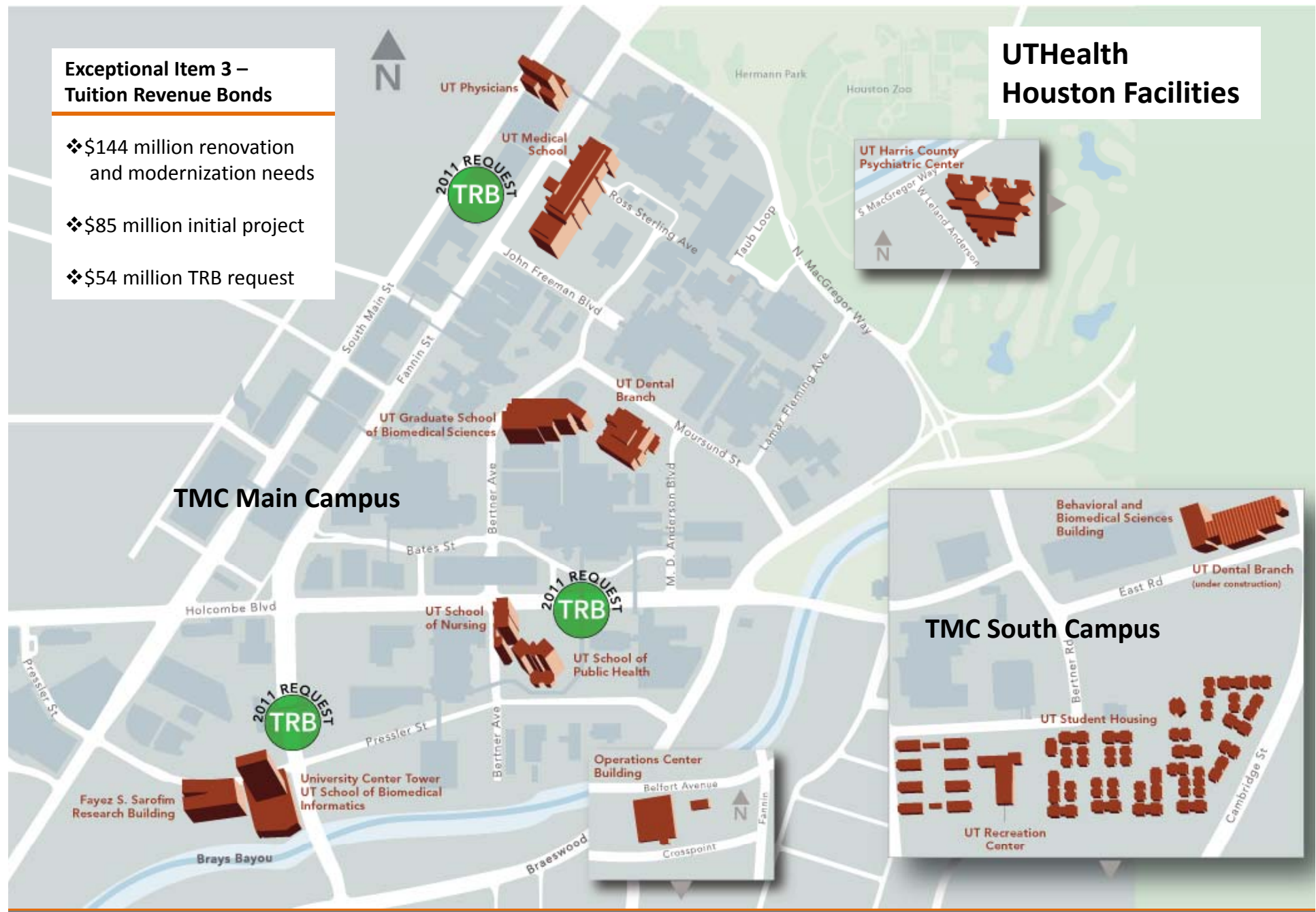
Exceptional Item 2 – Trauma

- ❖ UTHealth Trauma Center provides critical injury care for Texans
- ❖ UTHealth trauma doctors staff busiest Level I trauma center in U.S.
- ❖ UTHealth's Trauma Center needs funding to hire more faculty and staff to maintain its low diversion rate and reduce workload of its surgeons
- ❖ This funding will save lives in 30-plus county area served by UTHealth and Memorial Hermann-TMC Hospital Life Flight
- ❖ **Request:** \$6.25 million per year to hire critically-needed trauma faculty and staff

UTHealth Houston Facilities

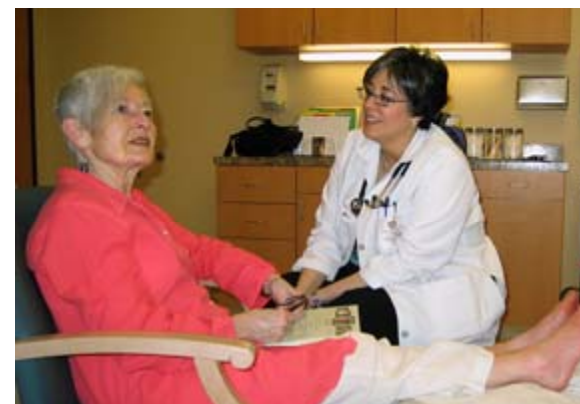
Exceptional Item 3 – Tuition Revenue Bonds

- ❖ \$144 million renovation and modernization needs
- ❖ \$85 million initial project
- ❖ \$54 million TRB request



Exceptional Item 4 – Aging

- ❖ Consortium on Aging addresses fast-growing health challenge
 - ❖ Costs for hospital and associated care for the elderly are expected to rise dramatically – from \$15 billion to more than \$50 billion by 2040
 - ❖ Requires interdisciplinary and collaborative effort to meet the challenge of providing health care to an aging population
 - ❖ Consortium led by UTHealth’s Dr. Carmel Dyer, a noted expert in providing care to the elderly (see photo)
- ❖ **Request:** \$2 million for the biennium



UT Harris County Psychiatric Center

- ❖ Funded in Article II, Department of State Health Services
- ❖ Maintain current total funding of \$47 million/biennium
- ❖ Recent facilities audit estimated \$13 million over the next six years in critical renovation needs – no funding sources have been identified



Children's Learning Institute (CLI)

- ❖ Designated as State Center for Early Childhood Development
- ❖ In FY 2004, first year of the project, 11 participating communities throughout the state serving 2,140 children
- ❖ In FY 2009, 38 participating communities serving more than 60,000 children
- ❖ Receives funding from Texas Education Agency (TEA) and Texas Workforce Commission (TWC) to award grants for early childhood programs
- ❖ **Request:** Maintain funding levels for FY 2012-13 in TEA and TWC budgets



5% and 10% Base Reduction Options

- ❖ Focused on non-formula general revenue items
- ❖ Proposed across-the-board cut to all current special items
- ❖ Slight reduction to Dental Clinic operations
- ❖ **Impact:** Would reverse progress made and have negative impact on UTHealth education and research missions

Conclusion - UTHealth is vital to Texas

- ❖ Educates Texas health care workforce
- ❖ Plays critical role in health care reform implementation
- ❖ Keeps Texans healthy in patient care and public health practices



Cameron County Health Department and UT School of Public Health Brownsville campus

THANK YOU

