

The University of Texas M. D. Anderson Cancer Center

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

I. Institutional Overview

Mission: The mission of The University of Texas M. D. Anderson Cancer Center is: To eliminate cancer in Texas, the nation and the world through outstanding programs that integrate patient care, research and prevention, and through education for undergraduate and graduate students, trainees, professionals, employees and the public.

Vision: We shall be the premier cancer center in the world, based on the excellence of our people, our research-driven patient care and our science. We are Making Cancer History®.

Background: The Texas Legislature created M. D. Anderson Cancer Center (UTMDACC) in 1941 as a component of The University of Texas dedicated to the treatment and study of cancer. There are currently 935 faculty, both M.D. and Ph.D. UTMDACC is one of the nation's original three Comprehensive Cancer Centers designated by the National Cancer Act of 1971 and is one of 39 such centers today. UTMDACC has ranked among the nation's top two cancer hospitals in *U.S. News & World Report's* "America's Best Hospitals" survey since its inception 13 years ago, and achieved a number one ranking in four of the past six years.

Since 1944, more than 600,000 patients have turned to UTMDACC for cancer care in the form of surgery, chemotherapy, radiation therapy, immunotherapy, or combinations of these and other treatments. This multidisciplinary approach to treating cancer was pioneered here. In 2004, 70,960 patients received care at UTMDACC, and 26,000 of them were new. About one-third of these patients were Texans from outside Houston and another third came from outside Texas, seeking the research-based care that has made UTMDACC so widely respected. UTMDACC consistently sees approximately 22 percent of the cancer cases in Harris County, 10 percent of the cases in Texas, and 1 percent of the cases in the U.S.A.

At UTMDACC, scientific knowledge gained in the laboratory is rapidly translated into clinical care through research trials. During 2004, more than 11,000 patients participated in clinical trials exploring novel therapies, the largest such program in the nation. The results of a number of trials with UTMDACC clinical investigators as leaders or leading contributors have become standards of care for cancer treatment. Examples include fludarabine and Campath® for chronic lymphocytic leukemia, Gleevec® for chronic myelogenous leukemia, Iressa® for lung cancer, and Tamoxifen® as chemoprevention for breast cancer.

In 2004, the institution spent more than \$314 million in research, and now ranks first in both the number of grants and total dollars awarded by the National Cancer Institute. The research budget has doubled over the past five years. UTMDACC holds nine NCI Specialized Programs of Research Excellence (SPOR) grants in lung, bladder, prostate, ovarian, head and neck, pancreatic, and endometrial cancers, melanoma, and leukemia. Expanded research efforts in epidemiology and behavioral sciences complement achievements made in the clinical cancer arena. Cancer prevention services are offered in individual and corporate programs, from personalized risk assessment to screening and genetic counseling.

More than 3,600 students take part in educational programs each year, including physicians, scientists, nurses, and other health professionals. UTMDACC offers bachelor's degrees in seven allied health disciplines. Several hundred residents and fellows come to UTMDACC each year to receive specialized training, and 466 graduate students are enrolled in 21 areas of study in the graduate School of Biomedical Sciences, run jointly with the UT Health Science Center – Houston (UTHSC-H). More than 1,000 research fellows are being trained in UTMDACC's laboratories. UTMDACC provides public education

programs to teach health individuals about cancer symptoms and risk factors, and how to make critical health care decisions when necessary.

During the past five years UTMDACC has experienced tremendous growth in each of its four mission areas. The number of patients served has increased 40 percent. There has been a corresponding increase in faculty and staff, as well as facilities. Between 2003 and 2005, the institution is opening 1.9 million square feet of new space for clinical, research, education, and prevention programs. This includes creation of a new University of Texas Research Park, 1.5 miles south of the campus, in collaboration with UTHSC-H.

The increases in our mission-driven activities fulfill our Strategic Vision for 2000-2005, which states, "We will aim to increase our research and patient care activities by up to 50% over the next five years." This record of unparalleled growth has been made possible by the collaborative and coordinated planning efforts of many leaders on the faculty and administrative staff, along with financial support from operating margins, philanthropy, the state of Texas and the UT System. M. D. Anderson is now moving forward to achieve its new strategic vision and goals. The priorities of the compact are all contained within the Strategic Vision 2005-2010.

II. Major Ongoing Priorities and Initiatives

II. A. Immediate Priorities and Initiatives

Priority #1. We will enhance the excellence, quality, and safety of clinical care; increase productivity and efficiency; and reduce costs.

Objectives

- Encourage and enable patients who will best benefit from our services and those who are candidates for our clinical protocols to select UTMDACC as their first choice for cancer care.
- Increase productivity and improve utilization in our clinics and inpatient units.
- Renew our national status as a Magnet Hospital.
- Develop a non-punitive culture to encourage learning from errors and close calls in order to identify areas of greatest vulnerability.
- Continue to make breakthrough improvements in patient safety and quality of care.
- Align operational goals, strategies, and action plans of the operating units with those of the institution.

Strategies

- Retain, recruit, and reward the best clinical faculty, nursing, support, and administrative staff to provide the care and infrastructure to achieve our mission.
- Participate in the Institute of Healthcare Excellence IMPACT program to improve clinical outcomes in the intensive care units.
- Measure the utilization of space in the clinics and perioperative units and establish improvement interventions to optimize use.
- Develop and implement a system-wide, web-based mechanism for reporting close calls; initiate improvement interventions based on these data.
- Implement initiatives necessary to ensure a smooth transition into the new Ambulatory Clinical Building and Cancer Prevention Building, including the integration of support services for the two buildings. Update: Completed.

- Redesign and relocate the Emergency Center and renovate existing building entrances to provide enhanced patient-centered services. Update: Clinic lobby completed; new clinic entrance completed; Emergency Center relocation has begun.

Resources

- The relocation and expansion of the Emergency Center into the first and second floors of the Lutheran Pavilion is a \$20 million project, with \$12 million requested as M. D. Anderson's top priority for Tuition Revenue Bond Projects for the 2006-2007 Biennium.
- The resources to support the remaining strategies are included within the annual operating budget.

Progress Measures

- Number of improvement interventions adopted.
- Continuation of Magnet Nursing Service certification.
In process; site visit being scheduled.
- Successful JCAHO accreditation.
Achieved.
- Positive patient satisfaction surveys.
4000 patients surveyed; 45% response rate. UTMDACC uses Problem Scores system, where the higher the score, the larger the problem. Consolidated data from surveys indicate areas most needing attention: 32% inpatients felt more information/communication needed on discharge and continuity, while 26% of outpatients expressed unhappiness with wait times or time spent with provider.
- Positive referring physicians satisfaction surveys.
Overall satisfaction has improved from 72% (2000) to 78.4% in 2005. 82.5% respondents will continue to refer; 79.6% would recommend that colleagues refer to UTMDACC; 85.1% indicated quality of care very good to excellent. Areas for improvement include referral process (66.3% very or completely satisfied); physician to physician communications (62.9% very or completely satisfied) and follow-up communication (67.3% very or completely satisfied.)
- Productivity in clinics, clinical departments, support departments, and inpatient units.
Clinical Operations is instituting a clinical productivity model for FY06.
- Number of close calls reported and associated interventions.
UTMDACC part of UT System program (UTCCRS). UTMDACC close calls reported in FY04 = 69, and in FY05 = 49. (Note: an event may be reported in more than one category.) This represents 5 pilot units, and the program will go throughout the hospital and clinics in FY06.

Priority #2. Advance M. D. Anderson as an employer of choice in health care and biomedical research.

Objectives

- We will foster an employee-focused culture that will enhance our ability to recruit, retain, reward, and empower an excellent and diverse staff and faculty committed to achieving our mission.
- Establish a work environment with meaningful rewards based on individual and team performance.
- Create a caring environment of the utmost dignity and respect for every employee (as we do for our patients) through frequent, open and honest communications from a visibly accessible senior leadership and by ensuring faculty and staff responsibility and accountability.
- Provide employees with opportunities for new learning and new responsibilities and for horizontal and upward mobility.
- Increase the diversity of faculty and senior administrative staff.

- Instill cultural sensitivity and a spirit of inclusion in the workforce through diversity training.

Strategies

- Make a public and known commitment to mentoring at all levels of the organization.
- Incorporate activities of the Institute for Healthcare Excellence, Human Resources, Internal Communications, and the Office of Institutional Diversity to create a comprehensive approach to becoming the employer of choice. Update: A special Cultural Change Initiative Committee, chaired by the President, has been working with these departments and others to determine the culture we seek, particularly the caring core value. Discussions are beginning on implementation.
- Promote employee health, well-being, and a balanced work and life situation through wellness programs, accessible employee amenities, and flexible work schedules. Update: Employee Health & Well-Being department now has 26 employees, and the Wellness Coach is highly visible throughout the institution.
- Provide leadership training for faculty and administrative staff.
- Increase awareness of the Ombuds Program and the Faculty Health Program. Update: Search for recruitment of full-time Ombuds Director to replace part-time faculty member underway.

Resources

- The resources to support the above strategies are included within the annual operating budget.

Progress Measures

- Incorporation of unit responses to Employee Opinion Survey into practice.
This process tied to the first Employee Opinion Survey largely completed; focus is shifting to the next survey, fall 2005.
- Follow-up survey to the Employee Opinion Survey.
Scheduled for fall 2005
- Feedback from and enrollment in Faculty Leadership Academy.
133 faculty have completed the program and are extremely enthusiastic. There is now a waiting list for the program. "Graduate" sessions have also been initiated to bring cohorts back together periodically.
- Feedback from and enrollment in Administrative Leadership Program.
141 administrators have completed the program. Human Resources is redesigning the program to stratify participants with more senior personnel having studies more tailored to their management level.
- Decreased employee turnover.
March 2003-March 2004: 11.6% turnover
March 2004-March 2005: 12.8% turnover
- Increased percent of minorities in administrative staff and faculty ranks.
Baseline using July 2005 data:
Executive job group: 53 total, 4 minorities
Administrative staff: 169 total, 25 minorities
Faculty: 1263 total, 517 minorities

Priority #3. We will safeguard and enhance our resources.

Objectives

- Continuously improve our administrative infrastructure in human resources, finance, facilities, and information systems to support the efforts of all employees in achieving our mission and strategic goals.

- Review and prioritize proposed and existing programs to grow in appropriate areas and consolidate others.
- Maintain an operating margin required to continue investment in new people, resources, and facilities for our future.
- Create an organization and work environment that aligns individual and team performance with institutional values.
- Provide high-quality, reliable facilities for all mission areas and administrative functions.
- Provide accurate, collaborative, and timely budget forecasting and budget development processes and timely reporting to management of areas of financial concern.
- Deliver information technology solutions that increase the value and efficiency of our patient care, facilitate research, and streamline administrative functions.

Strategies

- Design innovative rewards and recognitions, pay, and benefit practices.
- Implement the Employee Service Center and HR portal. Update: Completed.
- Provide accurate, collaborative, and timely budget forecasting and development processes.
- Assist operating units in meeting the operating budget.
- Continually educate all appropriate employees on the patient care revenue cycle to maximize charge capture, reduce denials, and improve collections.
- Provide clear and concise productivity metrics to address capacity management; optimal utilization of resources; and employee recruitment, deployment, and development.
- Collaborate with the UT System and other UT System health institutions on business and finance and patient safety projects.
- Deliver information technology solutions that increase the value and efficiency of our patient care, facilitate research, and streamline administrative functions.
- Implement key components of the electronic medical record, including the clinical data repository, allied health documentation, nursing documentation, and a comprehensive clinical laboratory system.
- Foster a professional IT staff and provide development through formal training and certification programs to achieve employer of choice status in the local IT job market. Update: The new Chief Information Officer has made significant progress with the IT staff.

Resources

- The resources to support the above strategies are included within the annual operating budget.

Progress Measures

- Reduced employee turnover.
March 2003-March 2004: 11.6% turnover
March 2004-March 2005: 12.8% turnover
- Increased number of reward and recognition events/opportunities.
Monthly outstanding employee award; highly publicized.
2000 honorees per year for employee service awards.
Performance recognition gift cards distributes up to \$225,000 in spot gift cards of \$25 and \$50.
Recognition leave program.
- Revisions to Economic Forecasting Model at regular intervals to assure accuracy and viability of the long-term capital plan, workforce, and space requirements.
Ongoing. At the completion of the FY06 budget process, the Economic Forecasting Model will be updated, in consultation with the clinical leadership, for review by the Executive Committee. The model is then a tool used to assess space needs and balance sources and uses of funds in relation to the Long Term Capital Plan.

- Successful recruitment of a new VP and Chief Information Officer and restructuring of IS governance.
Dr. Lynn Vogel has been recruited.
- Deployment of online clinical data reporting, structured nursing documentation, allied health documentation, and comprehensive clinical laboratory system.
Update pending.
- Continue comprehensive, collaborative processes to assure completion and activation of the Ambulatory Clinical Building, George and Cynthia Mitchell Basic Sciences Research Building, Cancer Prevention Building, and South Campus II Building.
Ambulatory Clinical Building, Cancer Prevention Building, and Mitchell building activated and occupied. South Campus II will begin move-ins late summer/early fall.
- Work with UT System, UTHSC-H, and local authorities in planning campus safety in the event of disaster (flooding, terrorism).
Flood wall protection nearing completion, largely funded by FEMA.
- Develop a new five-year campus master plan.
A Master Plan through 2015 has been approved.

Priority #4. We will create integrated programs and resources to support activities that promote technology development and commercialization.

Objectives

- Conversion of scientific discoveries into useful products and devices through enhanced technology development and transfer.
- Enhancement of technology transfer and support for commercialization.
- Create a prioritized pipeline of M. D. Anderson intellectual property. Expand screening and toxicology capabilities for drugs and biologicals.

Strategies

- Strengthen the existing infrastructure of:
 - 1) The Office of Technology Discovery (OTD), which advises faculty inventors on all aspects of developing their discoveries into useful commercializable products; reviews Concept Reports and Invention Disclosure Reports submitted by faculty; and triages these for action/refinement.
 - 2) The Office of Technology Commercialization (OTC), which evaluates Concept Reports and Invention Disclosure Reports forwarded by OTD to determine the institution's interest in applying for patents, submitting patent applications, and/or developing business plans for licensing or for new start-up companies.
 - 3) The Technology Review Committee, which undertakes peer review of research and funds projects leading to commercialization of discoveries.
- Recruit new VP for Technology Transfer.
- Utilize expertise of UTMDACC Board of Visitors special committee on research development.
Update: A subcommittee of the Institutional Initiatives Committee of the Board of Visitors is addressing research issues, including gap funding, and technology development.
- Recruit corporations to collaborate and build in The University of Texas Research Park.
- Collaborations with UTHSC-H, other UT System institutions, Rice, Baylor, etc., on projects of mutual interest.

Resources

- UT M. D. Anderson and UT Health Science Center - Houston are seeking philanthropy for their portion of the match (\$25 million) to the Texas Enterprise Fund for development of the Center for Advanced Diagnostic Imaging on the UT Research Park.
- The resources in support of the remaining strategies are included within the annual operating budget.

Progress Measures

- Successful recruitment of VP for Technology Transfer.
Dr. Christopher Capelli has been recruited.
- Number of patents issued.
FY00: 25, FY01: 27, FY02: 36, FY03: 32, FY04: 36
- Number of licenses/options granted to UTMDACC for intellectual property.
FY00: 12, FY01: 10, FY02: 22, FY03: 24, FY04: 33
- Number of venture companies formed based on UTMDACC intellectual property.
Number of portfolio companies (UTMDACC has equity) is 22. These have increased by about two-to three per year since FY98, except for an increase of 10 from FY01 to FY02.
- Number of biotech companies represented at UT Research Park.
Two companies: Hitachi and General Electric Healthcare.

II. B. Longer Term Priorities and Initiatives

Priority #1. We will improve the quality of existing research programs and develop priority programs for the future.

Objectives

- Strengthen the quality and impact of our basic, translational, clinical, and population-based research through superior leadership, infrastructure, resources, and efficiencies.
- Support clinical trial recruitment through interdisciplinary collaborative communications and education efforts.
- Enhance our clinical research infrastructure.
- Improve the diagnosis and treatment of cancer by discovering, validating, and targeting specific genetic and molecular abnormalities; altering the organ microenvironment; and understanding the biology and chemistry of normal and malignant cells and tissues.
- Invest resources to seize emerging research opportunities and to reward excellence and innovation.
- Obtain increased funds from operating margins, grants/contracts, philanthropy, the state, and UT System to support outstanding research.
- Retain and recruit outstanding faculty and research leaders.
- Provide all investigators with research facilities and core support services that enable the most advanced scientific investigation.

Strategies

- Capture philanthropic support for a major funding initiative to support research for outstanding faculty and recruits. The George and Barbara Bush Endowment for Innovative Cancer Research. The goal is \$50 million, and we aim to achieve this amount in contributions and pledges by June 2004.
- Strengthen existing departments and create new ones that are central to our strategic research goals, e.g., molecular epidemiology, molecular diagnostics, molecular imaging, health disparities research, veterinary medicine.

- Continue collaborations in bioengineering, structural biology, informatics, and other areas with UTHSC-H, other UT System institutions, other academic institutions, and industry.
- Provide peer-reviewed, intramural start-up funding for innovative research in targeted areas.
- Provide seed funding and infrastructure support for clinical trials. Update: The VP for Clinical Research has been allotted \$3 million for these purposes.
- Improve processes for prioritizing and supporting clinical trials and for monitoring patient accrual status, completion of studies, and publication of results.
- Expand Phase I Trials program.

Resources

- LERR Funds for the recruitment and retention of distinguished faculty will be a UTMDACC priority.
- The resources in support of the remaining strategies are included within the annual operating budget.

Progress Measures

- Amount of grant and contract support for research from government and public entities.
UTMDACC receives more awards (235) and dollars (\$107 million) from the National Cancer Institute than any other institution. Research expenditures in FY 04 were \$314 million, a five year increase of 100%.
- Amount of contract support for research from pharmaceutical and biotech companies.
*Sponsored Research Agreements in FY 04: 231 (\$36 million direct and \$6.9 million indirect)
First six months of FY 05: 125 (\$18.5 million direct and \$4 million indirect)*
- Number of SPORes, program project and other collaborative grants.
9 SPORe grants (plus 1 jointly with UT Southwestern Medical Center), more than any other institution.
- Number of peer-reviewed publications.
1998: approximately 900; 2000: approximately 1,100; 2002: approximately 1,600.
- Number of memberships in selective national organizations (e.g., IOM, ASCI).
- Successful high impact clinical research leading to FDA approval of a therapy or setting the standard of clinical practice.
- Number of patients entered on Phase I clinical trials.
UTMDACC has established a Phase I Clinical Trials program and a Center for New Therapy. In FY04, 1,762 patients registered on Phase I trials at UTMDACC (1,310 under age 65).
- Number of clinical trials.
FY03: 1,035 active trials with patients registered; FY04: 1,072 active trials with patients registered.
- Funding of the Bush Endowment.
Achieved with \$50 million in cash and pledges.
- Yearly philanthropic contributions.
FY04 philanthropy raised or committed was \$103 million in cash and pledges. Year-to-date for FY05 is \$103 million (July)

Priority #2. We will expand addressing risk assessment, prevention, and early detection of cancer and develop strategies to disseminate these findings.

Objectives

- Integrate research on risk assessment, prevention, and early diagnosis into each of our multidisciplinary clinical programs (breast, lung, etc.).
- Promote research to identify predictive markers of an individual's cancer risk and of the appropriate treatment or intervention to prevent cancer.

- Investigate therapeutic agents and behavioral and dietary interventions that can prevent cancer or reverse pre-cancerous conditions and early cancers.

Strategies

- Promote research to identify predictive markers of an individual's cancer risk and of the appropriate treatment or intervention to prevent cancer.
- Provide education and risk assessment tools for application to patients and the public through integration of expertise in cancer, internal medicine, genetics, behavioral science, laboratory medicine, and communication.
- Creation of a Department of Health Disparities Research.
- Clinical trials of agents preventing cancer or reversing pre-cancer.
- Sponsor research and educational programs on health disparities, especially in minority and medically underserved populations in which the burden of cancer is excessive.

Resources

- The resources in support of these strategies are included within the annual operating budget.

Progress Measures

- Grant support for prevention and population sciences.
1999: \$8.8 million, 2004-05: \$20.3 million
- Number of patients seen in consultation for risk assessment, and genetic or behavioral counseling.
Genetic counseling: FY04: 1,078. FY05 (thru August): 1,054
- Validation of new markers predicting risk or presence of cancer.
- Successful recruitment of a chair for the Department of Health Disparities Research.
Dr. David Wetter has been appointed.
- Successful activation of the Cancer Prevention Building.
Achieved.

Priority #3. We will develop our capabilities as a learning and mentoring organization for all students, trainees, employees and volunteers and create educational programs that prepare outstanding professionals for assuming responsibility and accountability.

Objectives

- Enhance the quality and outcomes of our undergraduate and graduate degree-granting programs and our post-doctoral training programs.
- Bring renewed emphasis to the education mission so that it touches all areas of the institution.
- Advance the Graduate School of Biomedical Sciences (GSBS).
- Enhance the School of Health Sciences.
- Be recognized for outstanding oncology training for health-care providers.
- Provide continuing education and personal growth opportunities for all employees and volunteers
- Be the provider of the best cancer information to patients and the public.
- Provide opportunities for all students to develop cultural sensitivity and an understanding of, and appreciation for, a professional code of conduct.

Strategies

- We will provide educational and training experiences to effectively prepare our graduate students for the range of scientific careers that will be available to them in a rapidly evolving scientific and technological environment.
- Broaden the diversity of the GSBS and rise to a national ranking in the top 20 of graduate schools of its class.
- Strengthen physician-scientist training through new programs and enhancement to our current MD/PhD program.
- Continue new cohorts in the Faculty Leadership Academy.
- Continue new cohorts in the Administrative Leadership Program.
- Explore new initiatives in distance learning.
- Expand and publicize the activities of the Education Council.
- Increase enrollment/GPA at the School of Health Sciences.
- Increase training of advanced-level physicians and nurses through Sister Institution and other collaborations.
- Increase placement of post-doctoral trainees in high quality career opportunities.
- Increase employee enrollment in skill improvement and personal growth courses offered by HR.

Resources

- The resources in support of these strategies are included within the annual operating budget.

Progress Measures

- GSBS admissions data (e.g., GPA, ethnicity).
GPA of admissions steady at 3.4
Ethnicity: 2001: 130 total admissions (Asian 15, African American 3, Caucasian 90, Hispanic 17, unknown 5); 2004: 147 total admissions (Amer Indian 1, Asian 20, African American 12, Caucasian 90, Hispanic 18, unknown 6)
- National rankings.
- School of Health Sciences admission and graduation data.
GPA of admissions average 3.4.
Degrees and certificates awarded in 2003: 39 and in 2004: 75.
- Achieve School of Health Sciences accreditation.
SACS accreditation visit is July 2005
- Number of users of Learning Centers and other educational programs for public and patients.
A third Learning Center opened in the Ambulatory Clinical Building in 2005, and the Rotary House Learning Center was closed for renovation for four months. In FY04, 23,660 visits were made to two Learning Centers; and in FY05, 17,349 visits were made in the first nine months.
- Number of UTMDACC-sponsored conferences and number of attendees.
FY04: 51 conferences for which UTMDACC awarded CME were offered with attendance of 7,650.
FY05: 58 conferences for which UTMDACC awarded CME were offered with attendance of 9,880.
- Number of employees enrolled in HR educational courses.
FY03: 8,240 employees participated in HR training. FY05: 12,298 employees participated in HR training, through July.
- Hits to UTMDACC web site (number of web pages viewed by all site visitors)
FY04: 55,733,284 total hits (16,326,074 internal and 39,407,210 external; of the external, 1,726,814 were unique visitors)
FY05 (through June) 35,495,339 (9,302,127 internal and 26,193,212 external; of the external, 1,571,398 were unique visitors)

Priority #4. We will improve our information systems, bioinformatics, and computational capabilities to enable us to collect, integrate, and analyze large clinical and research databases, and to generate knowledge.

Objectives

- Create seamless exchange between research and clinical databases.
- Secure information technology solutions that allow appropriate access to all clinical and research data.
- Expanded IS support to the institutional needs in research.

Strategies

- Implement new governance and planning structure for IS.
- Recruit new VP and Chief Information Officer.
- Expand bioinformatics and research computing activities through faculty recruitment and educational programs.
- Integrate tissue, molecular, and clinical information on patients.
- Implement key components of the electronic medical record, including the clinical data repository, allied health documentation, and nursing documentation.

Resources

- A number of the above strategies are dependent upon the development of the Clinical Research Information System and the General Laboratory Software Project. These projects are the top two priorities on M. D. Anderson's FY 05 LERR request.
- The resources in support of the remaining strategies are included within the annual operating budget.

Progress Measures (these are all under development)

- Integration of clinical and research data.
- Faculty acceptance of central data warehouses.
- Increased sharing of data and tissues across departments.
- Number of patients on clinical trials contributing data to a centralized, queryable system.
- Recruitment of new VP and CIO.
Dr. Lynn Vogel has been recruited.

III. Future Initiatives of High Strategic Importance – Next Ten Years

Priority #1. We will increase our mission-driven collaborations and outreach.

Objectives

- Leverage the skills and strengths of UTMDACC faculty.
- Promote and reward interdisciplinary research to enhance the discovery of new knowledge and to hasten the translation of discoveries into clinical trials and clinical practice.
- Develop and facilitate more effective collaborations and share knowledge with physicians, extramural researchers, academic institutions, industry, and organizations involved in comprehensive cancer control initiatives.
- Obtain the intellectual and technical resources required for cutting-edge, innovative biomedical investigation.

Strategies

- Provide seed funds for SPORES, PO1s, and other targeted collaborations.
- Improved partnerships with community oncologists, statewide and nationwide, and strategies for the transfer of more long-term care to them.
- Expand telemedicine programs.
- Increase collaborations in bioengineering, structural biology, informatics, and other areas with UTHSC-H, other UT System institutions, the Gulf Coast Consortia (UTMDACC, UTHSC-H, UTMB, Rice, Baylor, TAMU), other academic institutions, and industry.
- Build mutually beneficial collaborations with pharmaceutical and biotechnology companies.
- Continue to expand collaborations with our Science Park Research Division in Smithville and our Department of Veterinary Sciences in Bastrop.

Resources

- The resources in support of these strategies are included within the annual operating budget.

Progress Measures

- Number of extramurally-funded collaborative research programs within UTMDACC.
- Number of collaborative research programs with other academic institutions.
- Number of research contracts and collaborative agreements with companies.
- Amount of research dollars from companies.
- Positive referring physician satisfaction survey.

Priority #2. We will be leaders in sharing information on cancer care and prevention and on key issues in cancer research with health-care professionals, leaders responsible for health-care policy, the media, and the public.

Objectives

- Disseminate to oncologists and health professionals worldwide the unique expertise of UTMDACC clinicians, researchers, and nurses in order to achieve our mission.
- Secure "top of mind" recognition of UTMDACC for the media seeking information on cancer.
- Secure recognition of the role and value of UTMDACC and UT System with state and federal policymakers.
- Expand programs and technologies to educate the public, and patients, about cancer.

Strategies

- Implement Sister Institution agreements (formalizing exchange of research, trainees, and medical practice strategies). Update: Physicians, scientists, and administrators from sister institutions and other collaborating centers will visit campus in May 2005 for the first UTMDACC Sister Institution Conference.
- Assist with promoting the new Texas Academy of Science, Engineering, and Medicine.
- Increase UTMDACC members in the Institute of Medicine and other organizations that recognize excellence and set public policy.
- Expand UTMDACC media programs to involve additional national and international venues.
- Participation by faculty as leaders/officers in national professional societies.
- Support the UTMDACC volunteers and Anderson Network with learning opportunities.
- Expand public education, outreach, community programs, and web site content.

Resources

- The resources in support of these strategies are included within the annual operating budget.

Progress Measures

- Ranking of UTMDACC in significant surveys.
For the 16th consecutive year, UTMDACC again ranked as one of the top two cancer hospitals "U.S. News & World Report."
- Number of trainees and faculty exchanges resulting from Sister Institutions and other collaborative agreements.
- Number of faculty elected into leading selective organizations, e.g., the Institute of Medicine and the National Academy of Science.
- Number of faculty chosen as leaders of significant national professional organizations, or as editors of professional research journals.
UTMDACC faculty are leading the three major research oncology and clinical oncology societies (surgery, oncology, and radiation therapy).
- Number of interviews and news articles referring to UTMDACC in major print and broadcast news media, including the international press.
Approximately 2000 print and broadcast stories in major news media, September 2004 – May 2005.
- Hits on UTMDACC web site.
Reported in Priority 3
- Number of attendees at Anderson Network conference.
Location of the conference in far west Houston has caused a decline in attendance from 673 in 2002 to 551 in 2004. The meeting is returning to downtown Houston to remedy this.

IV. Other Critical Issues/Impact of Initiatives

IV. A. Impact of Initiatives

Enrollment Management

Several initiatives will have an impact on students and trainees. Efforts to enhance the Graduate School of Biomedical Sciences (joint program with UTHSC-H), and the School of Health Sciences will be directed at seeking the best candidates for enrollment. UTMDACC's highly competitive fellowship and postdoctoral training programs will grow, and graduates who leave the institution help advance our mission and initiatives aimed at dissemination of knowledge.

Diversity of Faculty and Staff

Initiatives related to becoming the employer of choice in healthcare and biomedical research, educational programs, and learning and mentoring all have strong diversity components. The Office of Institutional Diversity (OID) will become more involved with candidate searches. OID hosts frequent informal seminars for employees. The faculty and administrative leadership programs contain a diversity module. The new Department of Health Disparities Research will have an impact throughout UTMDACC, particularly with minority enrollment in clinical trials, educational programs, and community outreach.

Community and Institutional Relations

With nearly 14,000 employees, UTMDACC is important to the city's workforce, and Houston should benefit from our employer of choice initiatives. Certainly, the excellent clinical care provided at

UTMDACC is a benefit to Houston and Texas. Initiatives aimed at technology development and commercialization hold economic benefits for Houston. For example, successful development of The University of Texas Research Park will bring biotech companies to Houston, in turn providing jobs and adding to the tax base.

Outreach programs from initiatives addressing minority health, screening, and prevention will bring great benefit to the community. Initiatives related to sharing knowledge are directed to the public and patients.

With 1,400 community volunteers, and a goal to add 325 more in FY05, UTMDACC has the largest hospital-based volunteer program in the nation.

UTMDACC intends to continue to allocate unbilled charges for the care of indigent Texans at a level of 10 percent of the operating budget.

Relationships with UTMDACC donors will be impacted by efforts to secure funding for the Bush endowment, multidisciplinary research programs, and capital projects. The UTMDACC Development Office has an outstanding record and will be instrumental in balancing the many philanthropic needs.

Finances

UTMDACC has been able to sustain positive margins and an ambitious Long-Term Capital Plan, but we are always mindful that external factors could have consequences. Prioritization of programs and facilities will have to be part of the initiatives in the Compact and the Strategic Goals. Initiatives directed at maintaining our Economic Forecasting Model, improving infrastructure, productivity, and efficiency will all affect the finances of the institution. Initiatives aimed at educating state and national policy makers are critical to our finances. Third party reimbursement, managed care contracting, and legislative and regulatory directives can all have serious and immediate impact, and efforts to shield the institution from adverse consequences are imperative.

Strategies to increase grant and contract dollars and for collaboration with other institutions and industry should have positive financial implications.

Facilities

Several progress measures are keyed to facilities (e.g., successful activation of the Mitchell Basic Sciences Research Building, Ambulatory Clinical, and Cancer Prevention Buildings). The Proton Therapy Center will be one of only three such facilities in the nation, clearly linked to UTMDACC's national ranking and reputation. Development of The University of Texas Research Park has an impact on facilities, and partnerships with industry will be sought to offset these costs.

Other Infrastructure Issues

Information systems, bioinformatics, and computational science are at the core of several initiatives: improving productivity and efficiency, development of integrated clinical and research databases, development of an electronic medical record, and clinical trial design. Enormous patient databases will be needed for wide-scale prevention trials. The re-engineering of the UTMDACC Information Services department, including recruitment of a new VP and Chief Information Officer, must be successfully achieved. IS activities are extremely expensive, and appropriate prioritization and faculty involvement will be critical to success in these initiatives.

Highly specialized equipment for proteomics, genomics, and molecular imaging will be required for initiatives aimed at detecting and treating cancer by discovering and targeting genetic and molecular abnormalities.

IV. B. Unexpected Opportunities or Crisis

Access to the Governor's Texas Enterprise Fund and the proposal for a molecular imaging building, planned jointly by UTMDACC, UTHSC-H and GE Medical Systems, is an example of an unexpected opportunity. This project (\$80 million research program and facility) will be an outstanding example of private-public partnership and become the anchor of the UT Research Park. The presence of GE Medical Systems will bring jobs to Houston. Attracting pharmaceutical and biotech companies, as well as medical instrument and equipment companies, to the UT Research Park will be a major initiative during the next five years.

The war on terrorism has had a negative impact on the ability of international patients to come to UTMDACC. Patients from outside the U.S. now comprise only 3 percent of all patients and like all self-pay patients they contribute importantly to institutional margins. Efforts with Sister Institutions and the establishment of information offices in other countries are two strategies to address our desire to return international patients to about 4 percent of total patient volume, which is still below the pre-9/11 level. A shift in marketing to Mexico and South America is also underway. Marketing is also planned in the U.S. outside of Texas to help bring more self-pay and managed care patients to UTMDACC.

V. System and State Priorities

Collaborations with UT System institutions, working with government, increasing external research funding, and enhancing academic and clinical excellence are discussed throughout Sections II-IV.

VI. Compact Development Process

The Compact has been developed in tandem with a review and revision of UTMDACC's Strategic Vision and Goals. Beginning in December 2002, a series of meetings were held with clinical and research faculty leaders, the chair of the Faculty Senate, and senior management. These sessions addressed the future direction of research, the clinical enterprise, infrastructure, and other initiatives. In the fall of 2003, concurrent with the beginning of the Compact process, the recommendations from all these meetings were distilled and various drafts of the initiatives were reviewed by the senior leadership, the Research Council (clinical division heads and basic science chairs), the External Advisory Board (distinguished scientists from peer institutions), and the President's Advisory Board (clinical division heads, vice presidents, Faculty Senate chair, two clinical department chairs). The Executive Committee of the Faculty Senate (ECFS) reviewed the entire draft submitted to UT System, and the President met with the ECFS to discuss the Compact and the Strategic Goals. We made modifications after each of these discussions, and the priorities contained in the current version of the Compact and Strategic Goals are the result. All of the initiatives contained in the Strategic Vision and Goals are also in the Compact.

Other institutional groups reviewing the Strategic Vision and Goals include the Diversity Council and the members of the Leadership Forum (approximately 150 faculty and administrative staff).

VII. System Contributions

- Resource support (Health Affairs; Governmental Relations; Federal Relations)
- Development of collaborations (Health Affairs)

VIII. Appendices

A. Budget Summary

**The University of Texas M. D. Anderson Cancer Center
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
Operating Revenues:				
Tuition and Fees	\$ 267,000	464,176	197,176	73.8%
Federal Sponsored Programs	135,494,512	162,161,916	26,667,404	19.7%
State Sponsored Programs	555,496	292,374	(263,122)	-47.4%
Local and Private Sponsored Programs	36,928,676	46,937,470	10,008,794	27.1%
Net Sales and Services of Educational Activities	11,803,237	5,760,669	(6,042,568)	-51.2%
Net Sales and Services of Hospital and Clinics	1,088,823,441	1,251,096,392	162,272,951	14.9%
Net Professional Fees	205,306,145	237,188,914	31,882,769	15.5%
Net Auxiliary Enterprises	23,911,115	25,699,183	1,788,068	7.5%
Other Operating Revenues	20,561,791	22,755,208	2,193,417	10.7%
Total Operating Revenues	1,523,651,413	1,752,356,302	228,704,889	15.0%
Operating Expenses:				
Instruction	198,196,155	231,120,977	32,924,822	16.6%
Academic Support	-	-	-	-
Research	249,059,823	245,353,559	(3,706,264)	-1.5%
Public Service	1,323,261	4,497,317	3,174,056	239.9%
Hospitals and Clinics	889,659,155	1,036,234,935	146,575,780	16.5%
Institutional Support	103,422,950	117,963,480	14,540,530	14.1%
Student Services	-	-	-	-
Operations and Maintenance of Plant	281,818,360	266,166,430	(15,651,930)	-5.6%
Scholarships and Fellowships	-	11,431	11,431	-
Auxiliary Enterprises	18,213,060	18,114,268	(98,792)	-0.5%
Total Operating Expenses	1,741,692,764	1,919,462,397	177,769,633	10.2%
Operating Surplus/Deficit	(218,041,351)	(167,106,095)	50,935,256	-23.4%
Nonoperating Revenues (Expenses):				
State Appropriations & HEAF	148,762,704	148,087,074	(675,630)	-0.5%
Gifts in Support of Operations	44,474,778	37,143,555	(7,331,223)	-16.5%
Net Investment Income	23,167,048	23,828,579	661,531	2.9%
Other Non-Operating Revenue	11,920,032	-	(11,920,032)	-100.0%
Other Non-Operating (Expenses)	-	-	-	-
Net Non-Operating Revenue/(Expenses)	228,324,562	209,059,208	(19,265,354)	-8.4%
Transfers and Other:				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	(18,000,000)	(18,000,000)	-	0.0%
Transfers for Debt Service	(39,202,627)	(68,083,420)	(28,880,793)	73.7%
Other Additions and Transfers	-	-	-	-
Other Deductions and Transfers	-	-	-	-
Total Transfers and Other	(57,202,627)	(86,083,420)	(28,880,793)	50.5%
Surplus/(Deficit)	\$ (46,919,416)	(44,130,307)	2,789,109	-5.9%
Total Revenues	\$ 1,751,975,975	1,961,415,510	209,439,535	12.0%
Total Expenses and Debt Service Transfers	(1,780,895,391)	(1,987,545,817)	(206,650,426)	11.6%
Surplus (Deficit)	\$ (28,919,416)	(26,130,307)	2,789,109	

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

B. Statistical Profile

UT M. D. Anderson Cancer Center

<i>fall</i>	2000	2001	2002	2003	2004
Undergraduate headcount	40	48	59	75	70

<i>academic year</i>	99-00	00-01	01-02	02-03	03-04
Health sciences certificates	0	26	34	32	45
Health sciences baccalaureate degrees	0	13	10	20	30

<i>academic year</i>			02-03	03-04
Accredited GME resident programs			12	14
# of residents in accredited programs			100	103

<i>fiscal year</i>	2000	2001	2002	2003	2004
Federal research expenditures	\$81,871,561	\$91,543,036	\$117,633,074	\$122,868,912	\$150,528,694

<i>fall</i>	2000	2001	2002	2003	2004
All instructional staff	911	1,017	1,071	1,133	1,190
Classified employees	8,722	9,452	10,066	10,918	11,775
Administrative/professional employees	869	886	927	929	947
Student employees	219	249	277	312	349

<i>fiscal year</i>	1999	2000	2001	2002	2003
Hospital admissions	16,499	17,497	18,604	18,781	19,430
Hospital days	126,803	131,788	137,204	137,207	146,673
Clinic visits	409,443	448,690	469,068	471,728	537,822

<i>fiscal year</i>	1999	2000	2001	2002	2003
Un-sponsored charity care	\$19,717,163	\$25,524,441	\$30,773,351	\$35,310,300	\$43,427,477

<i>as of</i>	8/31/99				8/31/04
Endowment total value	\$256,739,000				\$357,890,000

C. Institution-Specific Information

- For the third time in four years, UTMDACC is ranked the nation's top cancer hospital in *U.S. News and World Report's* "America's Best Hospitals Survey."
 - In addition to the number one ranking in cancer, several UTMDACC specialties were ranked among the nation's best, including gynecology (4), ENT (10), and urology (13).
 - UTMDACC has ranked as the number one or two hospital in cancer since the magazine began its annual survey 14 years ago.
- UTMDACC ranked number six in the nation by *The Scientist's* "Best Places for Postdocs" 2004 survey. This is based on information from 91 institutions in the U.S. and Canada.
- The JCAHO survey resulted in Accreditation without Type I Recommendation – the highest possible rating. UTMDACC received a 98 out of possible 100 in the final report and ranked 1 in 40 or 44 categories rated by the surveyors.
- UTMDACC is a World Health Organization Collaborating Center in Supportive Care. This Center helps to develop research and professional education programs in supportive care for countries in all stages of development, particularly in Latin America and Asia.
- UTMDACC received international recognition with the Magnet Nursing Services Recognition. Fewer than 45 hospitals in the world have received this highest honor in health care for nursing.
- UTMDACC ranks first in both the number of grants (208) and total dollars awarded (\$98.4 million) by the National Cancer Institute.
- UTMDACC holds nine NCI Specialized Programs of Research Excellence (SPORE) grants in lung, bladder, prostate, ovarian, head and neck, pancreatic and endometrial cancers, melanoma and leukemia. This is more than any other cancer center and totals more than \$88 million in grant funding.
- UTMDACC was awarded First Place in the Better Business Bureau award for Quality in Healthcare.
- UTMDACC was one of the first three health-care institutions in the U.S. to be awarded ISO 14001 (International Organization for Standardization) certification, an international distinction that recognizes environmental management.
- UTMDACC's TV production department won the Silver Telly award, the highest level of recognition for non-network programming. The award was for the program *Children's Art Project: Making Life Better for children with Cancer*. They won the second highest award, the bronze, for *M. D. Anderson Cancer Center: 60 Years of Making Cancer History*.