

**The University of Texas M. D. Anderson Cancer Center**

**Compact with The University of Texas System  
FY 2007 through FY 2008**



## 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 (MDACC) in 1941 as a component of The University of Texas dedicated to the treatment and study of cancer. There are currently 1234 faculty, both M.D. and Ph.D. MDACC 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. MDACC 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 16 years ago, and achieved a number one ranking in four of the past seven years.

Since 1944, almost 700,000 patients have turned to MDACC 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 2005, 74,220 patients received care at MDACC, and 27,000 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 MDACC so widely respected.

At MDACC, scientific knowledge gained in the laboratory is rapidly translated into clinical care through research trials. During 2005, more than 9,600 patients participated in clinical trials exploring novel therapies, the largest such program in the nation. The results of a number of trials with MDACC 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, and Tamoxifen® as prevention for breast cancer.

In 2005, the institution spent \$342 million on research, and ranks first in both the number of grants and total dollars awarded by the National Cancer Institute. MDACC holds ten NCI Specialized Programs of Research Excellence (SPORE) grants in lung, bladder, breast, prostate, ovarian, head and neck, pancreatic, and endometrial cancers; melanoma; and leukemia. Expanded research efforts in epidemiology, behavioral sciences, cancer prevention, and health disparities complement achievements made in the clinical cancer arena. There also has been growth in immunology, genetics, and computational biology.

More than 4,000 students take part in educational programs each year, including physicians, scientists, nurses, and other health professionals. MDACC offers bachelor's degrees in eight allied health disciplines. Several hundred residents and fellows come to MDACC each year to receive specialized training, and 545 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 and postdoctoral trainees are being trained in MDACC's laboratories. MDACC provides public education programs to teach health individuals about cancer symptoms and risk factors and how to make critical health care decisions when necessary. There are also summer programs for high school students and science teachers.

M. D. Anderson is 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 MDACC 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.

#### Resources

- The relocation and expansion of the Emergency Center floors 1 and 2 of the Lutheran Pavilion is a \$20,000,000 project; \$12M had been requested in TRBs, but no legislative action occurred. As this expansion was required for patient safety, local funds were transferred from other projects.
- The resources for the remaining strategies are included within the annual operating budget.

Progress Measure	Report
Renew Magnet Nursing Certification	Achieved February 2006
Improvement Interventions Adopted	Create Solutions Database measures improvement interventions and awards gold, silver, bronze medals. FY05: 96 projects submitted mid FY06: 70 projects already submitted 24 projects near completion
Positive Patient Satisfaction Surveys	FY04 – FY05 Most indicators steady. Satisfaction with admission process improved 5% Satisfaction with positive patient identification prior to medication administration improved 5%

	Satisfaction with waiting room time decreased 6%.
Referring Physician Satisfaction	<p>FY04 - FY05 Indicators steady for % rating 5 or 6 with 6 "completely satisfied":</p> <p>Promptness of calls returned  May 04: 70.3%      May 05: 70.5%</p> <p>Promptness of patient appointment  May 04: 67%      May 05: 64.1%</p> <p>Quality/completeness of feedback  May 04: 76.2%      May 05: 78.7%</p> <p>Treated respectfully  May 04: 82.8%      May 05: 83.8%</p> <p>Will refer again  May 04: 83.4%      May 05: 86.5%</p>
Clinical Operations Productivity	<p>Bed capacity: 37 beds added 08/05-02/06; 32 more beds by December 2006</p> <p>4 additional digital mammography machines</p> <p>Clinical Recovery Program post hurricanes:</p> <ul style="list-style-type: none"> <li>• Outpatient billable visits ran between 3.8% and 5% ahead of budget for March-June</li> <li>• By June, total operating revenue had rebounded to 1.7% ahead of budget</li> <li>• Hurricane budget deficit had been eliminated by close of May</li> </ul>
Pursue Patient Safety Initiatives	<ul style="list-style-type: none"> <li>• Implemented a new patient ID wristband and ID Card that encompasses barcodes which was the first phase of positive patient identification for our patients</li> <li>• Implemented an online Incident Reporting system for institution-wide use</li> </ul>

**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.
- 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.
- Provide support and opportunity to all employees, to enable them to pursue their personal goals.
- 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.
- Ensure that employees have a fair and transparent annual evaluation that takes into account their abilities, contributions, and personal accomplishments and attention to practicing our core values.

- Promote employee health, well-being, and a balanced work and life situation through wellness programs, accessible employee amenities, and flexible work schedules.
- Provide leadership training for faculty and administrative staff.
- Increase awareness of the Ombuds Program and the Faculty Health Program.

Resources

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

Progress Measure	Report
Undertake second Employee Opinion Survey (initial survey in 2002)	Completed fall 2005. Areas of improvement: Reputation as good employer: +8% Hire and keep the right people: +11% Practice Caring core value: +7% Listen to employee input: +12%
Implement Culture Change Initiative	Launched January 2006 and ongoing.
Expand Ombuds Office and recruit new leader	Anu Rao, PhD, recruited February 2006. What began as a faculty Ombuds Office is now for all employees.
Promote employee health and well-being	Recruited Thelma Goodrich, PhD, specializing in faculty health issues. 5 wellness coaches for employees.
Faculty and administrative staff leadership programs	136 Faculty have completed; 25 to begin 10/06 Administrative Program in re-design to be a tiered program with prerequisite courses
Employee turnover	May 2004: 11,774 avg employees 12.03% May 2005: 12,719 avg employees 12.8% May 2006: 13,210 avg employees 14.6%
Percent minorities in administrative staff and faculty ranks	Executives: 5/05: 7.5% 5/06: 9.8% Admin staff: 5/05: 14.8% 5/06: 16.3% Faculty: 5/05: 40.9% 5/06: 41.8%

**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 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.
- Provide accurate, collaborative, and timely budget forecasting and development processes.
- Assist operating units in meeting the operating budget.
- 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.

Resources

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

Progress Measure	Report
Design innovative pay and reward systems	Implemented cash merit pool to reward exceptional employees. Distributed 4,202 performance reward cards (\$25/\$50). 1,994 employees honored at service award events.
Timely activation of facilities	FY05: Mitchell Basic Sciences Research Bldg, Cancer Prevention Building, Mays Clinic FY06: Saberioon Bldg for Molecular Markers, South Campus Conference Center, Proton Therapy Center
Maintenance of Economic Forecasting Model and Long Term Capital Plan	Forecasting Model and LTCP continually refined, yielding a budget that has been accurate to actual each year.
Maintain operating margin	FY 04: \$40.7M (2.3%) FY 05: \$41.9M (2.1%)
Information technology projects implemented	See report in Section II, Priority #4
Installation of flood walls	FEMA funded flood walls completed prior to 2006 hurricane season

**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 selected 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 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 (TRC), which undertakes peer review of research and funds projects leading to commercialization of discoveries.
- Collaborations with UTHSC-H, other UT System institutions, Rice, Baylor, etc., on projects of mutual interest.

## Resources

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

Progress Measure	Report
License income	FY03: \$3.65M FY04: \$4.99M FY05: \$3.85M (note: a major license expired May 04)
Invention disclosures	FY03: 126 FY04: 115 FY05: 135
Total U.S./foreign patent applications	FY03: 210 FY04: 139 (intentional decrease) FY05: 145
Issued patents	FY03: 32 FY04: 36 FY05: 37
Portfolio companies	FY03: 20 FY04: 22 FY05: 22
Licenses/options	FY03: 24 FY04: 33 FY05: 12

## **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.

- 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.
- Initiate a new program in survivorship, targeting the more than 10 million people who are living with a personal history of cancer.
- 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 innovative programs of the McCombs Institute for the Early Detection and Treatment of Cancer.
- Strengthen existing departments and create new ones that are central to our strategic research goals.
- 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.
- Enhance our clinical research infrastructure.
- 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

- Federal grants and contracts.
- Industry support.
- Philanthropy.
- The resources in support of the remaining strategies are included within the annual operating budget.

Progress Measure	Report
Strategic Goal #2: Enhance the quality of existing research programs and develop priority programs for the future.	Strategic planning for the next targeted areas, including basic research, is underway with the first retreat in June 2006.
Federal grant and contract support	FY04: \$313.9M FY05: \$342 M
SPORE Grants	FY04: 10 FY05: 11
PO1 Grants	FY04: 19 FY05: 23
Philanthropic funds for South Campus Research Initiative	\$98M in philanthropy raised in less than 12 months; goal of \$100M increased to \$135M.
Active Protocols monitored by IRB	FY04: 2,322 FY05: 2,678
Total MDACC patients registered on IRB Approved Protocols	FY04: 24,509 FY05: 23,518
Total MDACC patients registered on therapeutic protocols	FY04: 11,055 FY05: 9,865
Active trials with patients registered	FY03: 1,035

	FY04	1,072
	FY05:	1,202
Patients on Phase I trials	FY04:	1,762
	FY05:	2,258

**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.
- 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.
- 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 Measure	Report
Recruitment of leader for Center for Targeted Therapies	Garth Powis, D.Phil., recruited as Dept Chair, Experimental Therapeutics and Head, Center for Targeted Therapies
Number of patients seen for genetic counseling	FY 04: 1,078 FY 05: 1,382
Activate Molecular Markers Building on South Campus	Move-in complete January 2006. \$10M gift named the Saberoon Building; houses Kleberg Center for Molecular Markers
Improved genetic counseling services	Genetics counselors decentralized to the centers they serve (December 2005)
Ramp-up new Dept of Health Disparities Research	Dept, including the existing Center for Research on Minority Health, has 60 staff, including faculty, counselors, dieticians, and research and data analysts
Release of STAR Trial Data	MDACC ranked 2nd of 195 institutions registering women on STAR trial which indicates Raloxifene works as well as Tamoxifen in reducing breast cancer risk for postmenopausal women at increased risk.
Minorities on clinical trials	African Americans: FY 04: 3,047      FY 05: 3,472 Hispanic                      FY 04: 5,893      FY 05: 5,633 Asian                              FY 04: 547      FY 05: 445

**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 Measure	Report
School of Health Sciences - Undergraduate Degrees	02-03: 20 03-04: 30 04-05: 43
Graduate School of Biomedical Sciences – Admitted PhD students undergrad GPA	2003: 3.4 2004: 3.5 2005: 3.5
GSBS Degrees and Professional Certificates Awarded	2003: 86 2004: 77 2005: 86

GSBS Enrolled Students in Degree Programs	2003: 463 2004: 481 2005: 510
Achieve SACS Accreditation	Accreditation awarded on first attempt
Encourage employee access to ongoing education	Activated Education Center Portal on Human Resources intranet site for 24/7 access to catalogs and online education modules
In-person patient education contacts, including visits to Learning Centers	FY04: 50,201 FY05: 42,681 (One learning center and one classroom closed briefly for renovation)

**Priority # 4. We will improve our information systems (IS), 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.
- Expand IS support to the institutional needs in research.

Strategies

- Implement new governance and planning structure for IS.
- 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

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

Progress Measure	Report
Progress toward Electronic Medical Record	<ul style="list-style-type: none"> <li>•Converted nursing documentation of vital signs, height and weight, and allergies from Misys to ClinicStation</li> <li>•Provided ability for ordering physician to utilize "order sets" online within ClinicStation, providing for typing in of dosages of chemotherapy as well as automatically populating the patient's name, medical record number, height and weight onto the record to prevent transcription errors of critical information</li> <li>•Implemented first phase of "results notification" to the clinical providers via ClinicStation</li> <li>•Began development of medication reconciliation process within ClinicStation to meet JCAHO safety standard</li> </ul>

	<ul style="list-style-type: none"> <li>•Continued implementation and expansion of the PICIS system for anesthesia, OR, and critical care. System is now in use throughout the perioperative enterprise.</li> <li>•Continued the implementation of the SoftLab system for the clinical laboratory (target go-live end of FY 2007) and the MAK blood bank system (target go-live summer 2007)</li> </ul>
Expand bioinformatics and research computing	Creation of new Department of Medical Informatics, search underway for Chair, who will report jointly to the division head, quantitative sciences (academic) and to the chief information officer (administrative)

### 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 MDACC 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 (MDACC, 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 MDACC.
- 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 MDACC clinicians, researchers, and nurses in order to achieve our mission.
- Secure “top of mind” recognition of MDACC for the media seeking information on cancer.
- Secure recognition of the role and value of MDACC 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). Assist with promoting the new Texas Academy of Science, Engineering and Medicine.
- Increase MDACC members in the Institute of Medicine and other organizations that recognize excellence and set public policy.
- Expand MDACC media programs to involve additional national and international venues.
- Participation by faculty as leaders/officers in national professional societies.
- Support the MDACC 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 MDACC in significant surveys.
- 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.
- Number of interviews and news articles referring to MDACC in major print and broadcast news media, including the international press.

#### **IV. Unexpected Opportunities or Crises**

Significant philanthropic support has allowed MDACC to accelerate the Red and Charline McCombs Institute for the Early Detection and Treatment of Cancer. Phenomenal progress in genetics and biology has created unparalleled opportunities for the early detection and optimal treatment of cancer. This institute is bringing together thought leaders in six key areas of biomedical research to focus on molecular-based approaches to cancer diagnosis and treatment. The Centers are:

- Cancer Metastasis Research Center
- Center for Cancer Immunology Research
- Kleberg Center for Molecular Markers
- Proton Therapy Center
- Center for Advanced Biomedical Imaging Research (with UTHSC-H)
- Center for Targeted Therapies

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

Collaborations with UT System institutions include: 1) Joint Department of Dermatology with UTHSC-Houston; Joint Department of Bioengineering with UT Austin and UTHSC-Houston; Infectious Disease collaborations with UTMB; Gulf Coast Consortium includes UTHSC-H and UTMB; Alliance for Nanohealth includes UTHSC-H and UTMB; Biotechnology with UTHSC-H.

Increased student enrollment: The MDACC School of Health Sciences, which began in 2002, has doubled the number of degrees granted from 20 to 43.

Uncompensated health care: MDACC continues to provide cancer care to Texans lacking the ability to pay. \$130.5M was the estimated cost in 2005, with a projected FY06 cost of \$135M. An innovative program has been instituted to assist patients in determining eligibility for Medicaid, and if eligible, to enroll them. Using this program, MDACC has been able to register approximately 2000 patients on Medicaid over the past few years, which has provided at least some reimbursement for the care provided. Programs providing pharmaceutical product support, case management and collaboration with regional safety-net providers also enhance management of uncompensated care.

Establishment of new patient care product lines: The Proton Therapy Center saw its first patient in May 2006. It is a 94,000 square foot facility including three treatment rooms with gantries that administer proton beams from 360-degree angles, a fixed-beam treatment room, 16 exam rooms, and a simulation suite with positron emission tomography, computed tomography, and magnetic resonance imaging for accurate treatment planning.

#### **VI. Compact Development Process**

Because the Compact is directly linked to MDACC's Strategic Vision for Making Cancer History, 2005-2010, the update processes work in tandem. An internal website was developed listing all of the Strategic Goals. More than 100 unit leaders across the institution have access to that website to enter their respective tactics to achieve the goals of both the Strategic Vision and the Compact. An oversight committee has individuals assigned by goal to review the database entries. The Strategic Vision website for the whole institution has a direct link to the UT System Compact website. The draft Compact Update is distributed to the President's Advisory Board, a committee consisting of clinical and administrative leaders and the chair of the Faculty Senate.

## VII. System Contributions

MDACC works closely with UT System on a variety of issues, but has significant interactions in the areas of government relations, legal, real estate acquisition, business, and finance. The President works closely with the EVC for Health Affairs and participates actively in the Texas Academy of Science and Engineering. The retreats held for presidents this past year were of great interest, as is the System strategic planning process.

## VIII. Appendices

### Budget Summary

**The University of Texas M. D. Anderson Cancer Center  
Operating Budget  
Fiscal Year Ending August 31, 2006**

	FY 2005 Adjusted Budget	FY 2006 Operating Budget	Budget Increases (Decreases) From 2005 to 2006	
			Amount	Percent
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 464,176	553,889	89,713	19.3%
Federal Sponsored Programs	162,161,916	161,677,836	(484,080)	-0.3%
State Sponsored Programs	292,374	208,156	(84,218)	-28.8%
Local and Private Sponsored Programs	46,937,470	49,123,722	2,186,252	4.7%
Net Sales and Services of Educational Activities	5,760,669	956,031	(4,804,638)	-83.4%
Net Sales and Services of Hospital and Clinics	1,251,096,392	1,422,288,761	171,192,369	13.7%
Net Professional Fees	237,188,914	243,210,880	6,021,966	2.5%
Net Auxiliary Enterprises	25,699,183	29,622,834	3,923,651	15.3%
Other Operating Revenues	22,755,208	17,421,132	(5,334,076)	-23.4%
<b>Total Operating Revenues</b>	<b>1,752,356,302</b>	<b>1,925,063,241</b>	<b>172,706,939</b>	<b>9.9%</b>
<b>Operating Expenses:</b>				
Instruction	231,120,977	242,976,217	11,855,240	5.1%
Academic Support	-	-	-	-
Research	245,353,559	287,158,630	41,805,071	17.0%
Public Service	4,497,317	3,671,361	(825,956)	-18.4%
Hospitals and Clinics	1,036,234,935	1,151,001,594	114,766,659	11.1%
Institutional Support	117,963,480	127,906,669	9,943,209	8.4%
Student Services	-	-	-	-
Operations and Maintenance of Plant	266,166,430	319,249,383	53,082,953	19.9%
Scholarships and Fellowships	11,431	-	(11,431)	-100.0%
Auxiliary Enterprises	18,114,268	21,070,100	2,955,832	16.3%
<b>Total Operating Expenses</b>	<b>1,919,462,397</b>	<b>2,153,033,974</b>	<b>233,571,577</b>	<b>12.2%</b>
<b>Operating Surplus/Deficit</b>	<b>(167,106,095)</b>	<b>(227,970,733)</b>	<b>(60,864,638)</b>	<b>36.4%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	148,087,074	157,974,425	9,887,351	6.7%
Gifts in Support of Operations	37,143,555	64,246,000	27,102,445	73.0%
Net Investment Income	23,828,579	28,715,329	4,886,750	20.5%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenues/(Expenses)</b>	<b>209,059,208</b>	<b>250,935,754</b>	<b>41,876,546</b>	<b>20.0%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	(18,000,000)	-	18,000,000	-100.0%
Transfers for Debt Service	(68,083,420)	(72,112,504)	(4,029,084)	5.9%
Other Additions and Transfers	-	-	-	-
Other Deductions and Transfers	-	-	-	-
<b>Total Transfers and Other</b>	<b>(86,083,420)</b>	<b>(72,112,504)</b>	<b>13,970,916</b>	<b>-16.2%</b>
<b>Surplus/(Deficit)</b>	<b>\$ (44,130,307)</b>	<b>(49,147,483)</b>	<b>(5,017,176)</b>	<b>11.4%</b>
<b>Total Revenues</b>	<b>\$ 1,961,415,510</b>	<b>2,175,998,995</b>	<b>214,583,485</b>	<b>10.9%</b>
<b>Total Expenses and Debt Service Transfers</b>	<b>(1,987,545,817)</b>	<b>(2,225,146,478)</b>	<b>(237,600,661)</b>	<b>12.0%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ (26,130,307)</b>	<b>(49,147,483)</b>	<b>(23,017,176)</b>	

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

## Statistical Profile

<i>fall</i>	2000	2001	2002	2003	2004	2005
Enrollment	41	48	59	75	70	86

<i>academic year</i>	99-00	00-01	01-02	02-03	03-04	04-05
Undergraduate degrees						
Certificate	0	23	24	24	0	0
Baccalaureate-level Certificate	0	3	10	8	45	21
Baccalaureate	0	13	10	20	30	43
Total degrees	0	39	44	52	75	64

<i>academic year</i>				02-03	03-04	04-05
Accredited resident programs				12	14	14
Residents in accredited programs				100	103	100

<i>fiscal year</i>	2000	2001	2002	2003	2004	2005
Federal research expenditures	\$81,871,561	\$91,543,036	\$117,633,074	\$122,868,912	\$150,528,694	\$160,953,856

<i>academic year</i>	00-01	01-02	02-03	03-04	04-05	05-06
All instructional staff	911	1,017	1,071	1,133	1,190	
Administrative		626	670	806	859	932
Other, Non-Faculty		9,709	10,320	11,035	11,856	12,608
Student employees		252	280	318	356	359

<i>fiscal year</i>	1999	2000	2001	2002	2003	2004
Hospital admissions	16,499	17,497	18,604	18,781	19,430	20,608
Hospital days	126,803	131,788	137,204	137,207	146,673	153,002
Outpatient visits	409,443	448,690	469,068	471,728	537,822	610,329
Un-sponsored charity care	\$19,717,163	\$25,524,441	\$30,773,351	\$35,310,300	\$43,427,477	\$51,164,780

<i>as of</i>	8/31/2000	8/31/2001	8/31/2002	8/31/2003	8/31/2004	8/31/2005
Endowment total value	\$300,480,000	\$278,151,000	\$263,643,000	\$205,089,000	\$357,890,000	\$421,936,000

### Institution-Specific Information

- For the 17th consecutive year, The University of Texas M. D. Anderson Cancer Center has been ranked one of the top two cancer hospitals in *U.S. News & World Report's* "America's Best Hospitals" survey. In addition to the number two ranking in cancer, just one tenth of a percentage point behind the number one, three M. D. Anderson specialties are ranked among the nation's best, including gynecology (5), ear, nose and throat (10) and urology (10). M. D. Anderson has ranked as one of the top two hospitals in cancer care since the magazine began its annual survey in 1990. It ranked at the top of the survey in 2004, 2003, 2002, 2000 and 1992.
- The JCAHO survey resulted in Accreditation without Type I Recommendation – the highest possible rating. MDACC received a 98 out of possible 100 in the final report and ranked 1 in 40 of 44 categories rated by the surveyors.
- MDACC received the Small Business Administration's Dwight D. Eisenhower Award for Excellence in Research and Development. This marks the first time a comprehensive cancer center has been honored with the Eisenhower Award.
- For his breakthrough research in cancer therapy, John Mendelsohn, M.D., was honored with the 2006 Dan David Prize. The Dan David Foundation, based at Tel Aviv University, annually awards three prizes to laureates selected in fields chosen within the three time dimensions of Past, Present, and Future.
- MDACC 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.
- MDACC received international recognition with its second Magnet Nursing Services Recognition. Fewer than 45 hospitals in the world have received this highest honor in health care for nursing.
- President George W. Bush has re-appointed Margaret L. Kripke, Ph.D., executive vice president and chief academic officer at The University of Texas M. D. Anderson Cancer Center, to a second three-year term on the President's Cancer Panel. The other panel members are Dr. LaSalle Leffall and Lance Armstrong.
- MDACC ranks first in both the number of grants and total dollars awarded (\$107 million) by the National Cancer Institute (FY05).
- MDACC holds ten NCI Specialized Programs of Research Excellence (SPORE) grants in breast, lung, bladder, prostate, ovarian, head and neck, pancreatic, and endometrial cancers; melanoma; and leukemia. This is more than any other cancer center and totals \$107 million in grant funding (over a multi-year period beginning in 1996).