

## UT Medical Branch - Galveston Compact for FY 08 – FY 09

**Mission:** The mission of The University of Texas Medical Branch at Galveston is to provide scholarly teaching, innovative scientific investigation, and state-of-the-art patient care in a learning environment to better the health of society.

UTMB's education programs enable the state's talented individuals to become outstanding practitioners, teachers, and investigators in the health care sciences, thereby meeting the needs of the people of Texas and its national and international neighbors.

UTMB's comprehensive primary, specialty, and sub-specialty care clinical programs support the educational mission and are committed to the health and well-being of all Texans through the delivery of state-of-the-art preventive, diagnostic, and treatment services.

UTMB's research programs are committed to the discovery of new innovative biomedical and health services knowledge leading to increasingly effective and accessible health care for the citizens of Texas.

### Top 5 Priorities for FY 08 – FY 09:

1. Improve financial performance to ensure the financial health of the university and support the education, health care, and research missions.
2. Establish comprehensive interdisciplinary team training that matches healthcare professionals' roles in patient care with clinical and scientific expertise.
3. Develop collaborative educational, research, and outreach programs in the Austin area.
4. Enhance the clinical enterprise to improve the customer experience and increase off-island visibility and the referral network.
5. Expand infrastructure support for web-based and distant education, research, and clinical practice.

### **I. Performance Summary Table and Analysis**

Indicator	Past		Current	Goal	Explanation
	2002	2005	2006	2010*	
Enrollment Growth Fall					
Allied Health	334	428	464	518	SAHS programs are expanding capacity and increasing retention efforts, coupled with enhanced outreach and recruitment activities directed towards feeder schools and targeted regional institutions.
Biomedical Sciences	294	304	305	305	Enrollment peaked at 361 in 2004. Due to NIH reductions and foreign student visa restrictions, there may be a downward trend in the future that could reduce the number of biomedical students.
Medical	813	830	861	880	The goal will be 920 for the 2009-10 academic year assuming continuation of the present level of qualified applicants.
Nursing	564	611	625	575	Will continue to exceed 2010 goal by increasing prelicensure enrollment by 25% in each of the next 2 years. Growth is limited by the number of nursing faculty and clinical placement sites for students.
* = 2010 "Closing the Gaps" enrollment goals.					
All Sponsored Research Expenditures	\$109,139,538 (2002) \$149,957,462 (2005)		\$155,036,202 (2006)	\$165,000,000	2006 actual was 6% short of goal. Due to the slow down in growth of NIH funded research, UTMB experienced a similar slow down in its research growth.
Federal Sponsored Research Expenditures	\$78,100,188 (2002) \$117,235,448 (2005)		\$120,407,805 (2006)	Goal not set	Increased NIH competition due to flattening budget (FY 2006 shrank by .12%) and applications increase (5.9% growth in FY 2007). Our 3.4% growth is a sign of the competitiveness of our faculty and programs.
Uncompensated Health Care According to the State Definition – Facilities & Physician components combined	\$328,808,733 (2002) \$481,019,635 (2005)		\$445,110,382 (2006)	Combined goal not set	For facilities component, actual within ± 5% of goal. Goal not set for physician component

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Indicator	Past	Current	Goal	Explanation
Percent of BSN graduates passing the national licensing exam on the first attempt in Texas	87% (2002) 93.81% (2005)	97.60%	93.00%	Actual exceeded 2006 goal
Percent of allied health graduates passing the certification/licensure examination on the first attempt	91% (2002) 83.78% (2005)	87.64%	90.00%	Actual within 5% of goal
Percent of medical school students passing part 1 or part 2 of the National Licensing Exam on the first attempt	90% (2002) 97.10% (2005)	98.85%	90.00%	The USMLE passage rate has incrementally increased over the past several years and is expected to remain at about 99%.
Administrative cost as a percent of total expenditures	3.82% (2002) 1.96% (2005)	1.90%	4.00%	Cost allocation has been consistently lower than 4% of total institutional cost due to process reengineering and information systems improvements in administrative departments.

Note: New Patient Care Products are explained in Section V.

**II. Update Strategic Initiatives from 2006 Compact for FY 07 – FY 08**

**a. Completed Initiatives**

	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
1. Complete the five-year comprehensive campaign in order to support areas of excellence at UTMB that are critical to achieving institutional priorities.	Total philanthropic dollars raised	As of June 13 UTMB has exceeded the \$250,000,000 goal and secured \$250,520,361.	\$150M private philanthropy; \$100M Sealy & Smith Foundation	With nearly \$13 million in proposals submitted to prospective contributors, we are certain to meet this fundraising goal by the end of FY 2007.
2. Continue facility development to improve our clinical facilities and support our expanding research opportunities.	Improved traffic flow and additional parking spaces.	Completed construction of the University Plaza parking garage and re-routing of associated roadways.	Increased parking spots, improved traffic flow.	Traffic flow to future patient centered buildings (hospitals, outpatient clinics, translational research) is convenient and will be improved with each new building constructed.
	Patient & employee satisfaction; market share.	New endoscopy facility improves convenience, incorporates latest technology. Currently developing evaluation tools.	Improved patient satisfaction	Patient preparation and recovery area privacy, as well as family waiting areas have been improved. Expanded number of diagnostic rooms decreases patient turn-around time and improves efficiency.
3. Advance the educational environment by creating structures and innovative programs to enhance teaching and learning for faculty and students.	Student learning outcomes and faculty development.	Opened the Academy of Master Teachers.	Opening of the academy in 2007.	The Academy opened in 2007. Success will be demonstrated and results will be measured over time.
	Development of a common Academic Calendar	Standardized for nursing, allied health (except physician assistant program), medicine (yrs 1 & 2), and graduate school.	Implement common academic calendar	Common calendar initiated in the spring semester 2007. Common calendar improves utilization of facilities, conservation of utilities, increased student collaboration, and enhanced student services.

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**b. Ongoing Initiatives**

	Impact (Metrics)	Analysis	Goal	Next Steps
1. Improve financial performance to ensure the financial health of the university and support the education, health care, and research missions.	Operating margin	FY 2007 YTD performance improved by \$26.6M over FY 2006. Revenues slightly decreased.	\$140M positive operating margin	In 2006 efficiencies were identified by the Navigant consulting firm and a three-year implementation plan was initiated addressing revenue enhancement, cost reduction strategies and labor productivity. FY 2007 is year one of the three year plan.
	Case mix index	Continue to improve the case mix index by performing more complex tertiary & quaternary care.	Case mix improvement by 10%	Develop the centers of excellence in the clinical enterprise focused on improving the case mix index.
	Sponsored patient payor mix	Increase volume and change payor mix by increasing the percentage of sponsored patients.	Increase sponsored patient volume by 2%	Open additional primary care sites in Friendswood and League City and add specialty services on the mainland where services are under provided.
	Research funding	Increase sponsored research by using strengths in emerging infectious diseases and biodefense.	Increase funding by 3% a year from 2006 baseline	Promote the Galveston National Laboratory to recruit new faculty and secure new research funding.
	Patient outcomes; cost per day; length of stay	At 75th percentile cost per day for teaching hospitals. Reduced length of stay to 3.8 days (75th percentile is 2.8).	Operate at the 63rd percentile	Benchmark successful academic health centers operating at or above the 62.5 percentile and implement recommendations.
2. Develop inpatient and outpatient infrastructure to support increased commercial patient volume and the development of new patient care product lines.	Patient satisfaction survey scores	FY 2005-07, 1st quarter improved scores for ED (73.7% to 80%); inpatient (83% to 83.6%); outpatient stayed at 88.2%.	Improve scores for service and convenience by 0.10 above mean score.	Focus on providing the ideal patient experience by implementing Patient Centered Care. Create and implement a service excellence plan for hospitals, ER, and clinics.
3. Use information technology to improve access to health care, improve patient safety, expand educational programs, and support the research enterprise.	Physician order entry, primary care pavilion, pharmacy	Inpatient physician order entry and pharmacy systems, electronic medical record in primary care clinics.	Complete Clinical Documentation and Specialty Clinics	Implement clinical documentation functions for physicians and nursing in the inpatient areas. Implement Electronic Medical Record in specialty clinics Children's Hospital and Primary Care Pavilion.
	Increase bandwidth between Galveston and Houston	Provide access to high-speed state network (LEARN). OC12 implemented. This is a leased service.	Implement dedicated optic fiber.	Acquire optic fiber. Continue to utilize the advances in network technology to advance student access to education.
	Number of new telemedicine customers	Increase clinical telemedicine services with revenue streams to enable growth. Six new programs in past year.	Three (3) new telemedicine programs per year.	Continue marketing and promotion efforts.
	Number of Index-Medicus publications from AT&T Center	Four new telemedicine articles published by UTMB faculty in past year.	Three (3) new telemedicine articles per year.	Develop data to encourage policy makers and insurers to reimburse telehealth consults. Continue marketing and promotion efforts.

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	Software upgrades	New software integrated into educational process: upgrades to WebCT CE6 (90% complete), Breeze, and Wimba.	Complete software upgrades (Breeze & Wimba in fall 2008)	Keep abreast of the new software developments in delivering educational programs.
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**III. New Strategic Initiatives**

Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 07-08, 08-09
1. Clinical Strategic Plan - Developed a joint strategic plan for hospitals, clinics, and faculty group practice to expand patient base, broaden the referral network, and increase revenue.	Sponsored patient payor mix	Increase prior year sponsored admissions by 1.5%	FY 07-08: Continue implementation of strategic plan objectives. Open additional clinic sites and add specialty services on the mainland where services are under provided.
2. Service Excellence (Studer Program) - To improve patient satisfaction resulting in increased patient use of UTMB clinical services, a comprehensive service excellence program will be implemented using the Studer Group.	Patient satisfaction survey scores	Improve scores for service and convenience by .10 above mean.	FY 07-08: Create and implement the service excellence plan for all clinical components
3. Interprofessional Learning (QEP) - This initiative, which will be the focus of our SACS Quality Enhancement Plan, will provide students with interprofessional teamwork experiences in clinical and community settings.	Understanding of professional roles, teamwork skills, knowledge of factors affecting team function.	Working effectively in inter-professional teams.	FY 07-08: 1. Develop instructional activity plans. 2. Develop experiential activity sites. 3. Develop outcome measures. 4. Develop multi-year budget. 5. Collect baseline data. 6. Incorporate SACS feedback.

**IV. UT System Strategic Plan Initiatives**

**a. New Clinical Programs/Products**

In order to grow our patient base, UTMB will develop facilities, primary and tertiary services that will expand our referral network:

- 1) UTMB has identified five areas of focus for tertiary care services that leverages UTMB's strengths and expertise in cutting-edge technology: comprehensive transplant center; neurosurgery program; the Center for Weight Management; high-risk obstetrics and neonatal ICU program; and diabetes, mellitus, metabolic syndrome, and obesity.
- 2) UTMB has been exploring delivery models that provide quick and convenient access to primary care with the support of specialty care. The focus is to cater to an employer's needs to have employees "get back to work that day."
- 3) Building a much needed specialty tower supporting UTMB's areas of clinical strength would serve as a cornerstone for supporting the initiatives to expand our patient base.

**b. Financial Management Plan**

UTMB will continue to implement strategies (identified by the Navigant Consulting Group in 2006) to address revenue enhancement, cost reduction, and labor productivity. Goals for increasing our clinical case mix index, sponsored patient volume, and research funding will be emphasized. Strategies to improve efficiency, reduce utility consumption, improve clinical revenue recovery, and optimize the delivery of shared services will be continued.

**c. Information Security Plan**

The distributed information security model described in UTS 165 is led by UTMB's information security officer, which has two new task forces: 1) social security number compliance and management and 2) information security. The information security training program is delivered via formal classroom, online training sessions, technology forums, the information security officer's web page, and published articles in the campus newspaper. Information services will start providing information awareness bulletins for distribution by executive leadership on a semiannual basis. The focus of this year's information security awareness is securing portable devices such as laptops, Blackberry's, and portable memory devices. A third party review of the IR security technical and/or administrative controls is conducted annually. For disaster recovery and business continuity, information services has a three year plan to establish failover processing capabilities.

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**V. Summary of STARS and special PUF investments**

	\$ Amount, FY 05	\$ Amount, FY 06	Description / Metrics of Impact
STARS Program	--	\$1,250,000	Drs. Miriam Alter and James LeDuc from the Centers for Disease Control were recruited to UTMB and Dr. David Walker, chair of pathology, was provided a retention package with support from the STARS program.
ENTER Program	--	\$ 500,000	Funding used by the school of nursing to support recruitment and retention of research faculty, as well as the renovation of research facilities (completed March 2007)

**VI. Number of New Faculty Positions Projected to 2010**

Field	FY 06	FY 07	FY 08	FY 09	FY 10	Total FY 06 – FY 10
STEM	9	16	21	23	8	77
Medical/Health	22	37	35	30	25	149
Other	0	1	4	2	1	8
Total	31	54	60	55	34	234

Comments: FY2007 numbers include 7 positions in the School of Nursing that are currently unfilled.

**VII. Status of Campus Strategic/Long-Range Plan:** Institutional entities other administrative support offices have completed entity level planning processes. The entity plans will be used to develop mission specific plans which will serve as the institutional strategic plan. The new campus strategic plan will be developed under the direction of the new president during fall 2007. The institutional strategic plan will be the foundation for updates to the UTMB Compact.

**VIII. Campus Consultation to Develop Compact:** A multi-disciplinary group was convened to review the current Compact, evaluate performance, analyze impact and evaluate success of the existing Compact priorities, and identify new priorities. Presentations were made to institutional constituents. A Compact website was created to solicit feedback. The draft was reviewed and approved by the Council of Deans, the Strategic Executive Council, and the President and when finalized will be further communicated within the institution.

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**IX. Budget**

**The University of Texas Medical Branch at Galveston  
Operating Budget  
Fiscal Year Ending August 31, 2007**

	FY 2005 Actual	FY 2006 Adjusted Budget	FY 2007 Operating Budget	Budget Increases (Decreases) From 2006 to 2007	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 11,489,801	7,525,630	9,903,755	2,378,125	31.6%
Federal Sponsored Programs	121,697,277	119,327,204	129,215,856	9,888,652	8.3%
State Sponsored Programs	31,519,075	21,177,355	33,672,686	12,495,331	59.0%
Local and Private Sponsored Programs	46,375,756	45,923,003	50,175,269	4,252,266	9.3%
Net Sales and Services of Educational Activities	1,919,148	1,510,022	1,324,800	(185,222)	-12.3%
Net Sales and Services of Hospital and Clinics	710,214,051	705,244,153	698,314,385	(6,929,768)	-1.0%
Net Professional Fees	106,828,990	110,638,189	111,600,000	961,811	0.9%
Net Auxiliary Enterprises	8,956,080	8,358,740	9,378,554	1,019,814	12.2%
Other Operating Revenues	15,694,022	17,089,418	30,776,465	13,687,047	80.1%
<b>Total Operating Revenues</b>	<b>1,054,694,200</b>	<b>1,036,793,714</b>	<b>1,074,361,770</b>	<b>37,568,056</b>	<b>3.6%</b>
<b>Operating Expenses:</b>					
Instruction	278,859,662	231,005,469	235,279,693	4,274,224	1.9%
Academic Support	10,942,597	12,371,412	12,863,601	492,189	4.0%
Research	106,728,706	109,828,419	117,256,468	7,428,049	6.8%
Public Service	2,328,361	7,599,144	7,949,004	349,860	4.6%
Hospitals and Clinics	880,896,755	808,097,139	820,619,388	12,522,249	1.5%
Institutional Support	33,157,039	88,235,005	96,212,440	7,977,435	9.0%
Student Services	1,240,155	3,265,108	3,341,717	76,609	2.3%
Operations and Maintenance of Plant	24,860,807	49,517,479	58,367,444	8,849,965	17.9%
Scholarships and Fellowships	2,273,941	1,816,877	1,909,896	93,019	5.1%
Auxiliary Enterprises	8,704,083	5,407,176	6,312,035	904,859	16.7%
Depreciation and Amortization	50,451,389	51,898,628	53,455,587	1,556,959	3.0%
<b>Total Operating Expenses</b>	<b>1,400,443,495</b>	<b>1,369,041,856</b>	<b>1,413,567,273</b>	<b>44,525,417</b>	<b>3.3%</b>
<b>Operating Surplus/Deficit</b>	<b>(345,749,295)</b>	<b>(332,248,142)</b>	<b>(339,205,503)</b>	<b>(6,957,361)</b>	<b>2.1%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations & HEAF	269,683,780	288,425,114	291,834,614	3,409,500	1.2%
Gifts in Support of Operations	11,720,040	4,187,477	4,464,451	276,974	6.6%
Net Investment Income	29,124,327	27,781,614	30,410,566	2,628,952	9.5%
Other Non-Operating Revenue	298,115	-	-	-	-
Other Non-Operating (Expenses)	(27,184)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>310,799,078</b>	<b>320,394,205</b>	<b>326,709,631</b>	<b>6,315,426</b>	<b>2.0%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received	-	-	-	-	-
AUF Transfers (Made)	-	-	-	-	-
Transfers for Debt Service - Interest	(3,293,333)	(7,102,298)	(7,048,653)	53,645	-0.8%
<b>Total Transfers and Other</b>	<b>(3,293,333)</b>	<b>(7,102,298)</b>	<b>(7,048,653)</b>	<b>53,645</b>	<b>-0.8%</b>
<b>Budget Margin (Deficit)</b>	<b>(38,243,550)</b>	<b>(18,956,235)</b>	<b>(19,544,525)</b>	<b>(588,290)</b>	<b>3.1%</b>
<b>Reconciliation to Change in Net Assets:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	39,367,147	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	23,897,256	25,876,595	41,606,000	15,729,405	60.8%
Additions to Permanent Endowments	3,382,723	7,586,862	6,000,000	(1,586,862)	-20.9%
Transfers for Debt Service - Principal	(8,184,771)	(9,782,600)	(12,009,423)	(2,226,823)	22.8%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	80,413,401	51,051,591	51,051,591	-	0.0%
<b>SRECNA Change in Net Assets</b>	<b>\$ 100,632,206</b>	<b>55,776,213</b>	<b>67,103,643</b>	<b>11,327,430</b>	<b>20.3%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 1,365,520,462</b>	<b>1,357,187,919</b>	<b>1,401,071,401</b>	<b>43,883,482</b>	<b>3.2%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(1,403,764,012)</b>	<b>(1,376,144,154)</b>	<b>(1,420,615,926)</b>	<b>(44,471,772)</b>	<b>3.2%</b>
<b>Budget Margin (Deficit)</b>	<b>\$ (38,243,550)</b>	<b>(18,956,235)</b>	<b>(19,544,525)</b>	<b>(588,290)</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		51,898,628	53,455,587		
Capital Outlay		(22,611,746)	(22,000,000)		
Transfers for Debt Service - Principal		(9,782,600)	(12,009,423)		
Budgeted Transfers		-	-		
Use of Prior Year Balances		548,047	(98,361)		

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**X. Data Summary**

<i>fall</i>	2000	2001	2002	2003	2004	2005	2006
Undergraduate enrollment							
Allied Health	268	165	136	134	111	129	145
Biomedical Sciences	20	27	38	47	38	21	13
Nursing	423	430	450	417	432	397	378
Graduate/professional enrollment							
Allied Health	73	154	198	222	258	299	319
Biomedical Sciences	233	234	256	274	321	283	292
Medical School	810	823	813	820	824	830	861
Nursing	100	94	114	145	137	213	247
Total enrollment	1,927	1,927	2,005	2,059	2,121	2,172	2,255
<i>academic year</i>	99-00	00-01	01-02	02-03	03-04	04-05	05-06
Undergraduate degrees							
Baccalaureate: Allied Health	212	141	95	38	53	39	51
Baccalaureate: Nursing	156	171	201	163	187	184	193
Graduate/professional degrees							
Allied Health	35	36	37	74	61	81	97
Biomedical Sciences	49	51	59	52	57	52	54
Medical	184	183	194	181	190	201	183
Nursing	31	46	21	37	34	45	50
Total grad/prof degrees	299	316	311	344	342	379	384
<i>academic year</i>				02-03	03-04	04-05	05-06
Accredited resident programs				52	54	54	54
Residents in accredited programs				543	551	553	549
<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006
Federal research expenditures	\$61,356,467	\$63,274,494	\$78,100,188	\$93,039,583	\$102,490,775	\$117,235,448	\$120,407,805
<i>academic year</i>	00-01	01-02	02-03	03-04	04-05	05-06	06-07
Faculty	1,209	1,240	1,255	1,258	1,279	1,304	1,276
Administrative		609	518	863	892	909	872
Other, Non-Faculty		11,534	11,821	10,803	11,250	11,285	10,821
Student employees		245	400	416	421	442	450
<i>fiscal year</i>	1999	2000	2001	2002	2003	2004	2005
Hospital admissions	33,073	32,505	32,927	35,099	37,190	40,452	42,294
Hospital days	173,136	170,797	175,956	186,975	194,642	199,862	202,544
Outpatient visits	813,296	754,538	760,765	819,560	852,759	845,210	851,310
Un-sponsored charity care - physicians only	\$68,702,958	\$61,596,586	\$66,908,903	\$85,982,833	\$97,724,989	\$108,498,329	\$114,686,522
<i>as of</i>	8/31/2000	8/31/2001	8/31/2002	8/31/2003	8/31/2004	8/31/2005	8/31/2006
Endowment total value	\$342,602,000	\$316,291,000	\$295,898,000	\$306,674,000	\$352,268,000	\$397,054,000	\$432,172,000