

**UT Health Science Center – Tyler
Compact for FY 10 – FY 11**

Mission: To serve East Texas and beyond through excellent patient care and community health, comprehensive education, and innovative research.

Top Priorities for FY 10 – FY 11:

- 1: Grow clinical practice enterprise by 5%-10% increase in revenue in next FY, so it becomes an economic driver.
- 2: Develop and enhance oncology and interventional pulmonary programs.
- 3: Obtain additional philanthropic funding for Academic Center.
- 4: Complete and implement FY010-FY13 Strategic Plan for UTHSCT.

I. Performance Summary Table and Analysis

Indicator	Past	Current	Goal	Explanation
All Sponsored Research Expenditures	\$9,217,039 (2003) \$12,598,871 (2006)	\$13,550,150 (2007)	\$13,000,000 (2010) \$18,000,000 (2014)	Assumes continued recruitment replacing open positions in basic science and clinical faculty and reflects the ability to support researchers with good priority and competitive scores.
Federal Sponsored Research Expenditures	\$3,493,251 (2003) \$6,512,656 (2006)	\$6,742,353 (2007)	\$6,500,000 (2010) \$9,000,000 (2014)	Represents slight increments in NIH awards and other extramural support in the face of current contraction at NIH and increased competition for other sources of extramural funding. Assumes maintenance of current levels of extramural funding by research faculty.
Uncompensated Health Care According to the State Definition – includes hospitals and physicians	\$23,908,546 (2008)	\$21,098,058 (2009 projected)	\$20,000,000 (2010)	UTHSCT has scaled back its uncompensated care levels to attain budget targets. Plus, UTHSCT continues its monthly productivity reports to manage more effectively its indigent care program.

II. Update Strategic Initiatives from the 2008 Compact

a. Completed Initiatives

	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
1. UT Physicians of Gladewater Clinic opened	Clinic has 3,000 square feet and nine exam rooms.	The Gladewater clinic will routinely offer primary care and will offer specialty care services as needed. This clinic is expected to improve the quality of health care available to the Gladewater community.	Expansion space for other providers to allow increased patient care availability in Gladewater.	Family Medicine physician joined UT Physicians of Gladewater and began seeing patients May 6, 2009; specialty care services are also available (specifically, geriatrics and cardiology).
2. UT Physicians of Overton - moved to larger clinic space in Overton	Clinic has 3,200 square feet and five exam rooms, two procedure rooms.	The Overton clinic has routinely offered primary care and other specialty care services. The expanded office space is expected to improve the quality of health care available to Overton community.	Expansion space for additional providers will allow increased patient care availability in Overton.	UT Physicians of Overton moved into larger clinic space the first week of May 2009. New space provides more efficient space to offer minor trauma, skin surgery, gynecological procedures, X-rays, EKGs, and all other family health care. Lab is also available.

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	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
3. Review by the Accreditation Council for Graduate Medical Education (ACGME) in late May 2009 to review the UTHSCT Family Medicine Residency Program	The UTHSCT Family Medicine Residency program currently has 21 slots.	ACGME evaluates and accredits medical residency programs in the United States. Its purpose is to improve health care by assessing and advancing the quality of resident physicians' education through accreditation.	To receive continued full accreditation from the ACGME in fall 2009.	UTHSCT Family Medicine Residency Program received its first accreditation in 1985 and has received continued full accreditation each accreditation review cycle since then. UTHSCT hopes for a positive evaluation when the final letter is issued in the fall of 2009.

b. Ongoing Initiatives

	Impact (Metrics)	Analysis	Goal	Next Steps
1. Continue a prestigious research program	Sponsored research: \$13,550,150 (2007)	Will require ongoing growth of research faculty and enhanced clinical research.	Sponsored research: \$18,000,000 (2014); amount reduced due to downturn in economy in FY2009.	Continue - Growth in research expenditures in specific focus areas of lung injury, infectious lung diseases, and cancer.
2. Finalize Academic Center to support education, research, patient care, and beautification of campus	\$21,120,000 TRB for UTHSCT Academic Center	UT Board of Regents approved Academic Center at May 2009 Board meeting (TRB funds, and support from UT System, Board of Regents, and additional philanthropy). THECB Commissioner approved this project on May 26, 2009.	More academic and clinical visibility in East Texas by FY2010.	Continue - Achieve new educational and research facilities; continue to foster collaborations with other UT institutions and identify clinical and research collaborations with MD Anderson.
3. Expand Rural Medicine Residency training programs with regional hospitals to enhance medical education opportunities in East Texas	Double family medicine training program.	Identify funding sources; negotiate agreements with regional hospitals.	Academic visibility to identify additional teaching hospital by FY2012.	1. Finalize agreement with regional hospitals and pursue programmatic and operational specifics. 2. Produce strategic planning document.
4. UTHSCT School of Health Professions	Develop professional health care workforce in East Texas.	This initiative is on hold while funding sources are identified.	Develop Academic Medical Center by FY2011.	1. \$6 million was requested for biennium from 81 st State Legislature to help fund School of Health Professions. Request was not funded, however; so UTHSCT continues to seek funding sources with assistance from UT System. 2. Plan to pursue joint degree collaborations with other higher ed institutions, including UTT and SFA.

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	Impact (Metrics)	Analysis	Goal	Next Steps
5. Expand Primary Care	With identification of primary care as product line, this initiative will increase UTHSCT primary care patient load and possibly increase referrals to specialty care at UTHSCT.	Will require recruitment of new faculty and implementation of new marketing initiative.	Primary Care clinic visits grow by 30% by 2012.	1. Recruit new faculty. 2. Identify new practice sites.

III. New Strategic Initiatives

Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 09-10, 10-11
1. Regional Health Science Center for NE Texas - Interventional Pulmonary Research and Clinical Care Program	Addresses a critical need in region and supports our research initiative. We will measure growth of new pulmonary services.	Increase interventional pulmonary procedures at UTHSCT by 20% by FY 2011.	Recruit additional interventional pulmonologist.
2. Regional Health Science Center for NE Texas - Texas Lung Research & Treatment (TLRT) Initiative, a part of UTHSCT Texas Lung Injury Initiative (TLII)	To facilitate UTHSCT as National Center for Pulmonary Care and Research. Increase external research support in lung injury and lung cancer.	Develop new drugs in lung injury treatment; enhance basic/clinical research in lung injury by FY 2011.	1. With HRSA grant of \$235,620 that was announced in spring of 2009, UTHSCT will purchase key equipment for Texas Lung Research and Treatment Initiative. 2. Recent NIH RAID grant (\$850K) will help move one TLII initiative towards a clinical trial. 3. Continue efforts to secure philanthropic support for this initiative. 4. Utilize UTS "STARS" funding to recruit experienced research faculty.
3. Key Information Technology initiatives	Improved communication and patient safety.	Move 50% of outpatient clinics to utilize EMR by end of FY10.	1. Select EMR. 2. In addition, UTHSCT will select a cost accounting system to help improve efficiency in budgeting.

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IV. UT System Strategic Plan Initiatives

a. New Clinical Programs/Products

Oncology is a new product line. Diseases of the chest, cardiology, and primary care product lines continue.

b. Information Security Plan

Several major information security initiatives planned for the 2010 – 2011 timeline include:

- Define and implement an improved management authorization process for new information technology applications and services that includes information security considerations.
- Participate in the deployment of the configuration management system selected by UT System. Develop and disseminate a formal configuration management policy that addresses purpose, scope, roles and responsibilities, and compliance.
- Expand the use of the standardized information risk assessment tool recommended by UT System. Document risk mitigation strategies used and include these in the UTHSCT action, training, and/or monitoring plans as appropriate.

V. System Contributions and Investments

a. Summary of STARS and special PUF investments

UTHSCT received \$150,000 from the ENTER fund for FY 2008. This collaboration with UT Tyler will establish an Aging, Research and Teaching Unit to address care required for older adults.

b. Other System contributions

UTHSCT will receive \$10 million in PUF funds that will be applied towards UTHSCT Academic Center.

VI. Total Faculty Positions Projected to 2012

Field	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12
Medical/Health	71	60	48	49	54	55	56
Other	34	35	37	34	33	35	37
Total	105	95	85	83	87	90	93

Please Note: The numbers above are totals and not how many new faculty. UTHSCT has prioritized recruitment on key clinical faculty to invest in clinical enterprise. Research faculty projections are modest, but consistent with the faculty contraction UTHSCT has had.

VII. Status of Campus Strategic/Long-Range Plan: The process to develop UTHSCT's Campus Strategic/Long-Range Plan will continue through calendar year 2009. The leadership of this initiative has been delegated to UTHSCT's Chief Operating Officer.

VIII. Campus Consultation to Develop Compact: The UTHSCT Office of the President conducted individual selected meetings with key faculty leaders (including members from the respective Clinical and Research Assemblies) and with selected members of UTHSCT administrative staff to discuss elements of the FY10-FY11 Compact. These faculty and administrators provided meaningful input and were instrumental in the development of UTHSCT's FY2010-FY2011 Compact.

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IX. Budget

**The University of Texas Health Science Center at Tyler
Operating Budget
Fiscal Year Ending August 31, 2009**

	FY 2007 Actual	FY 2008 Adjusted Budget	FY 2009 Operating Budget	Budget Increases (Decreases) From 2008 to 2009	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ -	-	-	-	-
Federal Sponsored Programs	9,830,229	14,022,875	11,800,000	(2,222,875)	-15.9%
State Sponsored Programs	1,304,046	1,276,700	1,340,200	63,500	5.0%
Local and Private Sponsored Programs	4,663,010	2,219,005	3,650,000	1,430,995	64.5%
Net Sales and Services of Educational Activities	1,034,084	3,457,473	2,872,158	(585,315)	-16.9%
Net Sales and Services of Hospital and Clinics	44,495,098	41,964,605	43,329,290	1,364,685	3.3%
Net Professional Fees	15,068,152	11,268,060	9,635,018	(1,633,042)	-14.5%
Net Auxiliary Enterprises	178,934	202,420	227,192	24,772	12.2%
Other Operating Revenues	673,116	-	-	-	-
Total Operating Revenues	77,246,669	74,411,138	72,853,858	(1,557,280)	-2.1%
Operating Expenses:					
Instruction	7,150,044	4,132,457	4,051,742	(80,715)	-2.0%
Academic Support	367,599	481,551	536,003	54,452	11.3%
Research	11,709,718	20,865,196	23,390,981	2,525,785	12.1%
Public Service	-	-	-	-	-
Hospitals and Clinics	66,259,753	63,696,570	59,004,265	(4,692,305)	-7.4%
Institutional Support	9,662,837	8,513,900	6,684,047	(1,829,853)	-21.5%
Student Services	-	-	-	-	-
Operations and Maintenance of Plant	9,187,734	9,076,575	14,404,482	5,327,907	58.7%
Scholarships and Fellowships	-	-	-	-	-
Auxiliary Enterprises	232,583	189,824	211,963	22,139	11.7%
Depreciation and Amortization	8,955,614	8,930,100	8,861,954	(68,146)	-0.8%
Total Operating Expenses	113,525,882	115,886,173	117,145,437	1,259,264	1.1%
Operating Surplus/Deficit	(36,279,213)	(41,475,035)	(44,291,579)	(2,816,544)	6.8%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations & HEAF (Non-capitalized)	37,764,633	40,480,054	40,873,781	393,727	1.0%
Gifts in Support of Operations	570,517	1,449,327	1,081,137	(368,190)	-25.4%
Net Investment Income	3,623,506	2,905,214	2,511,177	(394,037)	-13.6%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	41,958,656	44,834,595	44,466,095	(368,500)	-0.8%
Transfers and Other:					
AUF Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service - Interest	(764,767)	(947,425)	(945,795)	1,630	-0.2%
Total Transfers and Other	(764,767)	(947,425)	(945,795)	1,630	-0.2%
Budget Margin (Deficit)	4,914,676	2,412,135	(771,279)	(3,183,414)	-132.0%
Reconciliation to Change in Net Assets:					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	4,940,639	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	197	381,538	250,000	(131,538)	-34.5%
HEAF (Capitalized)	-	-	-	-	-
Additions to Permanent Endowments	545,283	-	-	-	-
Transfers for Debt Service - Principal	(1,492,570)	(3,496,513)	(3,714,038)	(217,525)	6.2%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	3,627,135	2,594,540	2,250,000	(344,540)	-13.3%
SRECNA Change in Net Assets	\$ 12,535,360	1,891,700	(1,985,317)	(3,877,017)	-204.9%
Total Revenues and AUF Transfers	\$ 119,205,325	119,245,733	117,319,953	(1,925,780)	-1.6%
Total Expenses (Including Transfers for Interest)	(114,290,649)	(116,833,598)	(118,091,232)	(1,257,634)	1.1%
Budget Margin (Deficit)	\$ 4,914,676	2,412,135	(771,279)	(3,183,414)	
Reconciliation to Use of Prior Year Balances					
Depreciation		8,930,100	8,861,954		
Capital Outlay		(7,032,000)	(3,500,000)		
HEAF (Capitalized)		-	-		
Transfers for Debt Service - Principal		(3,496,513)	(3,714,038)		
Budgeted Transfers		-	-		
Use of Prior Year Balances		813,722	876,637		

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X. Data Summary

<i>academic year</i>				02-03	03-04	04-05	05-06	06-07	07-08
Accredited resident programs				2	2	2	2	2	2
Residents in accredited programs				24	23	24	24	24	24
<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006	2007	2008
Federal research expenditures	\$2,807,980	\$3,063,099	\$2,783,554	\$3,493,251	\$4,659,021	\$4,956,399	\$6,512,656	\$6,742,353	\$6,422,350
<i>academic year</i>	2000	2001	2002	2003	2004	2005	2006	2007	2008
Faculty	102	112	119	110	107	106	97	94	86
Administrative		63	76	80	50	46	37	38	29
Other, Non-Faculty		1,095	1,041	1,062	1,110	1,035	836	755	676
Student employees		14	13	11	8	10	10	10	12
<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006	2007	2008
Hospital admissions	3,714	3,554	3,805	3,765	3,369	2,901	2,926	2,512	
Hospital days	29,802	29,451	29,021	26,942	24,789	19,090	14,822	12,941	
Outpatient visits	132,772	135,978	140,473	119,515	114,968	114,208	166,539	154,397	
Un-sponsored charity care - physicians only	\$3,261,170	\$4,992,457	\$5,405,720	\$6,814,083	\$7,008,950	\$8,695,101	\$8,804,172	\$901,967	\$4,828,193
Note: The overall decline in the amount of un-sponsored charity care by faculty reported in FY 06-07 is the result of physician UPL payments which offset the amount of un-sponsored charity care. The payments received in FY 06-07 included one-time payment fo									
<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	8/31/2007	8/31/2008
Endowment total value	\$33,791	\$29,465	\$26,136	\$28,288	\$31,729	\$36,271	\$39,108	\$44,142	\$42,094
(in \$ thousands)									