

1. Title

Policies Regarding Clinical Enterprise Business Operations

2. Policy

- Sec. 1 Applicability. This policy is applicable to the health institutions of The University of Texas System that have faculty practice plans (Plans). Such Plans include but may not be limited to Medical Service, Research and Development Plans (MSRDP), Physicians Referral Service (PRS), Dental Service, Research and Development Plans (DSRDP), Health Professions Service, Research and Development Plans (HPSRDP), and others that may subsequently be developed. This policy is also applicable to hospitals owned and operated by U. T. System health institutions, defined as UT Hospitals. The Clinical Enterprise at each health institution includes any and all Plans and UT Hospitals.
- Sec. 2 Common Format. U. T. System policies and governing documents are articulated through a common format for Plan Bylaws, Board of Regents (Regents) approval of annual Plan and institutional budgets, U. T. System accounting and managerial standards, U. T. System budget rules, and administrative decisions by the Executive Vice Chancellor for Health Affairs.
- Sec. 3 Effective Date. UTS155, as revised effective March 8, 2010, supersedes all prior policies related to accounts receivable management for practice plans and hospitals. The following policies have been deleted effective March 8, 2010: UTS152, *General Policies Regarding Accounts Receivable Management at The University of Texas System Hospitals*, and UTS154, *General Policies for Accounts Receivable Management of Faculty Practice Plans*.
- Sec. 4 Policy Statement. Efficient, effective, and productive clinical enterprise business operations are essential to the maintenance of high quality academic programs and critical to the financing of U. T. System health institutions. The purpose of the Plans is to manage and hold in trust the professional income of the faculty members at U. T. System health institutions to promote excellence in teaching, research, and patient care. Each Plan's Bylaws, consistent with the Model Bylaws approved by the Regents, authorize the Executive Director of the Plan to maintain a Business Office for the billing and collection of professional income. The Plans' assets are subject to the same oversight and scrutiny as other institutional monies. In view of increasing demands for accountability and the growing complexity of clinical enterprise business operations, it is the management philosophy of the U. T.

System to encourage uniformity at the policy level and institutional autonomy, initiative, and creativity at the operational level. In order to improve the patient experience, U. T. System health institutions that manage and operate hospitals may determine it is beneficial to integrate billing and collection policies and procedures for professional services with those for hospital services; however, the respective sources and uses of funds will remain distinct.

- Sec. 5 Approval of Plan Bylaws. The president shall submit for approval each Plan's Bylaws conforming to U. T. System's Amended and Restated Model Plan Bylaws of the Faculty Practice Plan to the Executive Vice Chancellor for Health Affairs. The president shall submit proposed amendments to the Bylaws to the Executive Vice Chancellor for Health Affairs, who shall determine whether the amendments are substantive and require approval by the Regents. The Regents shall approve substantive amendments, if acceptable. The Executive Vice Chancellor for Health Affairs shall approve nonsubstantive amendments, if acceptable.
- Sec. 6 Authorized Professional Business Expenditures. The Executive Vice Chancellor for Health Affairs will review and amend, if necessary, annually the list of authorized professional business expenditures for the Plans.
- Sec. 7 Approval of Institutional Budgets. The president shall submit the annual institutional budget containing each Plan's budget to the Executive Vice Chancellor for Health Affairs and the U. T. System Controller. After review, the Executive Vice Chancellor for Health Affairs and the U. T. System Controller shall submit the budget with recommendations to the Regents. The Board of Regents shall approve the institutional budget, if acceptable.
- Sec. 8 Audits. The president shall consider the guidance from the U. T. System Audit Office and shall ensure that the institution's annual audit plan contains appropriate audits of each Plan.
- Sec. 9 Operations Manuals. The Executive Director of the Plan and the Chief Administrative Officer of the UT Hospital shall develop and maintain business operations manuals to include procedures for the topics outlined in Appendix A and Appendix B, respectively. The operations manuals shall include financial assistance policies and procedures following the guidelines of the Executive Vice Chancellor for Health Affairs, attached as Appendix C. The Executive Director of the Plan and the Chief Administrative Officer of the UT Hospital shall submit the respective operations manuals and annual updates to the Executive Vice Chancellor for Health Affairs for review. The Executive Director of

the Plan and the Chief Administrative Officer of the UT Hospital shall provide training for faculty and staff in accordance with the operations manuals.

Sec. 10 Reports. The Executive Director of the Plan and the Chief Administrative Officer of the UT Hospital shall submit financial and management reports as required by the Executive Vice Chancellor for Health Affairs and the U. T. System Controller.

Sec. 11 Contracts. After appropriate local review and approval, the Executive Director of the Plan and the Chief Administrative Officer of the UT Hospital shall submit for approval any proposed contract for billing of fees and any proposed contract for collection of fees to the Executive Vice Chancellor for Health Affairs. Any proposed contract for collection of fees will also be submitted for approval to the Office of General Counsel.

### 3. Definitions

None

### 4. Relevant Federal and State Statutes

None

### 5. Relevant System Policies, Procedures, and Forms

Amended and Restated Model Bylaws of the Medical Service, Research and Development Plan/Physicians Referral Service (MSRDP/PRS) Faculty Practice Plan

[http://www.utsystem.edu/ogc/docs/modelpolicy/ModelBylaws MSRDP2-7-2008.DOC](http://www.utsystem.edu/ogc/docs/modelpolicy/ModelBylaws_MSRDP2-7-2008.DOC)

Claims and Financial Litigation Guidelines for Referral

<http://www.utsystem.edu/ogc/claims/homepage.htm>

MSRDP Agreement for Participation in MSRDP

<http://www.utsystem.edu/ogc/docs/contracts/MSRDPAgmt03-15-2012.DOCX>

[Appendix A: Model Operations Manual for Faculty Practice Plans](#)

[Appendix B: Model Operations Manual for UT Hospitals](#)

[Appendix C: Guidelines Regarding Financial Assistance for Patients at UT Health Institutions](#)

### 6. Who Should Know

Presidents and Chief Business Officers of U. T. System Health Institutions  
Executive Directors of Faculty Practice Plans  
Chief Administrative Officers of UT Hospitals  
U. T. System Offices of Health Affairs, Audit, and General Counsel

**7. System Administration Office(s) Responsible for Policy**

Executive Vice Chancellor for Health Affairs

**8. Dates Approved or Amended**

February 1, 2002

March 8, 2010

June 2, 2011

**9. Contact Information**

Questions or comments about this policy should be directed to:

- [bor@utsystem.edu](mailto:bor@utsystem.edu)