FY2014 – FY2015
Legislative Appropriations Request

Presentation to the Legislative Budget Board and Governor’s Office of Budget Policy and Planning
Presentation Outline

- UTHSCT History and Mission
- Strategic Plan Goals
- Fiscal Responsibility
- Fiscal Year 2013 Issues
- FY14-FY15 Budget Priorities
- Impact of 10-Percent Reductions
- Impact of Federal Healthcare Reform
- Exceptional Item and TRB Request
- 1115 Waiver
- Summary Requests
- Our Commitment
History

WWII  Site of Camp Fannin – infantry training facility / 1,000+ bed hospital.
1947  East Texas Tuberculosis Sanatorium
1977  Transferred to UT System / Renamed The University of Texas Health Center at Tyler
2012  Only university medical center in NE Texas – UT Health Science Center is focused on lung and infectious disease, cancer, and primary care

Mission

• Comprehensive Education – Undergraduate and Graduate Medical and Health Professions Education
• Biomedical and Clinical Research
• Patient Care and Community Health
Why Our Mission Is Important

• *Educating* our workforce improves our economy and strengthens our communities.

• *Training* new physicians means increased access to medical care and better quality of care in our region.

• Scientific discoveries *improve* our quality of life.

• Beyond our regional impact, we’ve seen patients from 146 of 254 Texas counties during the past two years.
GOAL 1: Provide first-class health care to our patients and establish Centers of Excellence in the areas of primary care medicine, pulmonary medicine, and cancer.

GOAL 2: Further knowledge and improve quality of life by moving from “bench to bedside” – from high-quality laboratory research through clinical trials into patient care.

GOAL 3: Provide exceptional education in the areas of medical education, community health and health professions, and medical biological sciences.

GOAL 4: Be good stewards of our resources and accomplish our mission effectively and efficiently.
Culture of Fiscal Responsibility

- Reducing expenditures to match appropriate state general revenue and patient income funding levels.
- A 41-percent reduction in full-time equivalent employees.
- Selective outsourcing of operational areas.
- Collaboration with other state agencies.
- Ongoing and systematic review of programs to determine their effectiveness and value.

We not only reduced our FTE’s by 41% from 2002 to 2012, we have remained disciplined since 2009 in maintaining an average FTE count of 850.
Fiscal Year 2013 Issues

Information Technology / Electronic Health Record (EHR)

• EHR is deployed in all outpatient clinics. Inpatient EHR will be completed in FY13.

• EHR technology improves patient safety and generates more accurate patient statements and cost analyses.

Expansion of Graduate Medical Education (GME)

• New Internal Medicine Residency Program with Good Shepherd Medical Center in Longview, TX serving as primary teaching site.

• 18 residents began training on July 1, 2012 – this inaugural class will grow to 54 residents by 2014.
Biotechnology Degree Program

- UTHSCT established the School of Medical Biological Sciences. The first degree to be awarded solely by UTHSCT – an M.S. in Biotechnology.

- Classes began on August 27, 2012.

- 236,000 Texans are employed by biotechnology companies, with a total payroll of $31 billion. There is a high demand for the graduates we produce.
Collaborations in Health Care, Education, and Research

[Logos of various organizations]
FY14-FY15 Budget Priorities

1. Control expenses.

2. Maintain health care *quality*, ensure *patient safety*, and provide access for *rural* populations.

3. Grow critical educational programs in Graduate Medical Education and health professions.

4. Expand distance education opportunities.
Impact of 10-Percent GR Reduction

• Reduction of funding to the Northeast Texas Consortium of Colleges and Universities (NETnet)
  › NETnet provides distance learning educational programming to:
    • 50 rural Northeast Texas counties
    • 16 higher-education institutions
    • 31 public school districts
    • Five regional healthcare centers
  › NETnet serves 60,000+ students and delivers over 1,200 courses.

• Funding reduction for NETnet will result in an unnecessary duplication of expenses and infrastructure at multiple higher-education institutions across the region.
Impact of 10-Percent GR Reduction (cont.)

- Reduction of funding for training opportunities in our primary care residency training programs.
  - UTHSCT has successfully trained primary care physicians since 1987.
  - To date, 80 percent of our graduates have remained in Texas – one solution to the expected and significant primary care physician shortage in our state.
  - Reducing the number of primary care residents will affect access to essential primary care services in Texas.
Impact of Federal Healthcare Reform

• The current uncertainty in the regulatory environment related to the Patient Protection and Affordable Care Act makes it difficult to plan and manage appropriately.

• In the meantime, our focus will remain on addressing the healthcare workforce needs of the citizens of Texas.
Exceptional Item and TRB Approach

Priority 1: Add value for the citizens of Texas.

Priority 2: Be consistent with our mission and strategic plan.

Priority 3: Expand educational and private-sector job opportunities.

Priority 4: Address the healthcare needs of Northeast Texans.
New Exceptional Item Request

- UTHSCT has submitted an Exceptional Item Request for the FY14-FY15 biennium in the amount of $6 million to expand our degree-granting program.

- UTHSCT has raised almost $1 million for student scholarships for this degree program which has helped with recruiting students.

- The first class of students for the M.S. in Biotechnology, aimed at industry demand, began in August 2012.
Tuition Revenue Bond Request

• The Riter Center for Primary Care will bring all primary healthcare delivery, our Family Medicine Residency Program, and general healthcare educational activities under one roof and out of cramped and inefficient facilities.

• More importantly, it will increase our capacity to train primary care health providers using a state-of-the-art, multi-disciplinary approach.
UTHSCT is the Anchor Institution for Region 1, which has no city with a population greater than 100,000, and covers:

- 28 counties
- 1.2 million people
- 21,000 square miles

We are actively collaborating with public and private hospitals, public health departments, counties, and our mental health providers.

Across the region, UTHSCT is leading efforts to reduce costs in our healthcare delivery system, avoid unnecessary hospitalizations, and transform the way we provide mental health services.
Summary Requests

1. Maintain our base funding.
2. Support formula funding.
3. Support our Exceptional Item Request.
4. Support our TRB Request.
1. We will encourage job growth by focusing our educational programs on high-demand fields.

2. We will solve tough problems through collaborations and evidence-based programs.

3. We will manage our resources well, promote faculty and staff productivity, and continue to eliminate waste in our operations.

QUESTIONS