

**The University of Texas Health Center at Tyler**

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



The University of Texas Health Center at Tyler (UTHCT) has recently undergone an extensive review by Navigant Consulting, Inc. UTHCT expects to use the Navigant recommendations as a roadmap for achieving sustainable financial health and for increasing revenues and reducing costs to make UTHCT more productive and successful. UTHCT will use this roadmap to help define the UTHCT Strategic Plan. Consequently, the Compact must be completely restructured for FY07-08.

This document is a brief report on what UTHCT has accomplished since the FY06-FY07 Compact was submitted last year.

## **I. Major Ongoing Priorities and Initiatives**

### **A. Short-term Goals**

#### **1. Become a more academic institution through the expansion of educational programs and research**

- a. Continued growth and success of UTHCT research programs. In FY05, UTHCT was awarded 83 new grants and contracts totaling \$11.8 million, representing a 31% increase from FY04 and a 69% increase from FY02.
- b. Obtained degree granting approval from 79th Texas Legislature.
- c. Gov. Perry signed degree granting bill on June 1, 2005.
- d. Currently taking steps to acquire planning authority from the Texas Higher Education Coordinating Board (THECB) and accreditation from SACS.
- e. Initiated a series of educational programs on aging issues for the Smith County community.
- f. Continued to fill the UTHCT's family medicine residency program with top graduates from the region; most of these residents remain in East Texas after they complete the residency.
- g. Last summer, UTHCT initiated summer internship program in research for several high school students. Two of these students went on to receive Bill Gates Millennium scholarships (the only two of these types of scholarships awarded in this region).
- h. Renegotiated agreement with Stephen F. Austin State University to continue collaborating on two master's programs: biotechnology and environmental science.
- i. Growth and expansion of the Northeast Texas Coalition (NETNet) with UTHCT grand rounds being beamed to local hospitals in this region.
- j. NETNet also provides 240 interactive television courses/week, serving a 4,800 student enrollment (or approximately 1,200 students/week). Also, NETNet is the primary Internet server (that is, providing the network) for 11 colleges and serves a college of 12,000 enrollment students/year or put another way, 3,000-4,000 FTE students. This is with a budget of \$2 million from the State of Texas and \$400,000 from other sources.

#### **2. Improve quality and customer service satisfaction**

##### Quality satisfaction

Create a more patient-safe environment and limit costs attributable to medical errors through the following activities:

1. Increased the number of Root Cause Analyses conducted (from 6 to 14, but these are variable numbers depending on occurrences and events).
2. Educated staff on Joint Commission on Accreditation of Healthcare Organizations (JCAHO) preparedness and performance improvement.

3. Implement a fall prevention program by using a multidisciplinary group of UTHCT employees to produce a brochure for preventing falls in the hospital and in the home and made available to all inpatients and outpatients.
4. Conducted required annual Failure Mode Effects Analyses or FMEAs (correctional healthcare, patient controlled analgesia or PCA pumps, epidurals).
5. Improved care provided to myocardial infarction (MI), congestive heart failure, surgical infection prevention indicators (SIP), and pneumonia patients by providing staff education in order to improve Core Measure Guideline Scores and improving patient education and discharge planning process.
6. Instituted new preventive measure program for ambulatory patients – CSTAR (Clinical Screening, Testing, and Reminder System). Conducted baseline audits of primary care physicians during the first quarter of 2006.

#### Customer Service Satisfaction

1. For the evaluation period from September 1 – March 31, patient satisfaction aggregate scores for UT Health Center have been as follows for the past 3 years:
  - o 2004 - 88.8
  - o 2005 – 90.9
  - o 2006 – 88.8 (slight decrease from same time period in FY05)

Additional patient satisfaction scores are listed below:

- o Inpatient Goal: 87.8 (score from Sept 1 - March 31, 2006 = 85.4). We are BELOW our goal.
- o Emergency Room Goal: 89.9 (score from Sept 1 - March 31, 2006 = 88.8). We are BELOW our goal.
- o Medical Practice/Outpatient Clinics Goal: 90.0 (score from Sept 1 - March 31, 2006 = 89.1). We are BELOW our goal.

\* Please Note: These goals were based on the evaluation period and NOT on the fiscal year.

UT Health Center plans to improve these scores and has tasked its staff, nurses, and physicians to increase patient satisfaction.

2. This year's evaluations included a physician's patient satisfaction line.
3. For the coming year, patient satisfaction goals have been developed and will be included in employee evaluations. The formalization of adding patient satisfaction goals to employee evaluations is a new process.
4. UTHCT is in the process of finalizing a contract for the employee surveys to take place again in October 2006.

### **3. Implement UTHCT Center for Healthy Aging programs**

- The Center for Healthy Aging has built a clinical program that includes comprehensive senior assessments, a separate senior assessment center, and state-of-the-art protocols for the good care of the older person.
- Nursing Homes: In August 2005, the Center for Healthy Aging started providing nursing home care to nursing homes in the area (up to 12 currently). Serving in medical director role in two of these nursing homes.
- Staff: Three geriatricians in the Center for Healthy Aging; three mid-level providers trained in the care of the older person; a case manager who helps the older person's caregiver and the frail elders.

- Research: Alzheimer disease and smell; Medicare Part D and its effects on the older individual; multiple studies throughout UTHCT.
- Community outreach: Caregiver support group; East Texas Coalition of Geriatric Professionals; and multiple lectures and presentations at local groups and symposia (see details in next bullet for those presentations held at the Tyler Area Senior Citizens Association or TASCA).
- Town Hall meetings: The Center for Healthy Aging hosts monthly town hall educational sessions at the Ornelas Activity Senior Center (also called TASCA) that UTHCT operates. A few of those sessions include:
  - Sleep disorders in older adults
  - Heart disease, are you at risk?
  - Aging well in 2006 – Living better, not just longer
  - Sessions on dementia, Alzheimer's disease, stroke, bone fractures, medical problems older people face when they take many medications
  - Steps to healthy aging – importance of good nutrition and regular exercising
- A noted speaker on aging, Dr. Richard Roush from the Roy M. and Phyllis Gough Huffington Center on Aging at Baylor College of Medicine, was featured at the March 31, 2006, Red and Kim Little Lecture Series. Dr. Roush's presentation was on "What you need to know to live long and well," and over 300 people attended.
- The physicians and staff at the Center on Healthy Aging assist patients:
  - with memory loss
  - who have social issues and concerns
  - who need help with maximizing functions
  - with complicated medical regimens
  - And the staff coordinates care for patients with multiple providers
- Collaboration with UT Tyler neuropsychologist: Neuropsychological testing in the care of patients who are developing dementia. UTHCT plans to establish a "memory clinic" next year.
- Discussions for development of ACE (Acute Care for the Elderly) unit. This unit is being renamed to ART (Aging Research and Treatment). This unit will be home to a multidisciplinary team that will provide not only medical, but emotional, sociological, and spiritual care – a team comprised of physicians, nurses and nurse practitioners, social workers, dietitians, physical and occupational therapists, pharmacists, and clergy – all trained in geriatric care and focused on addressing the issues that can lead to a decline in the health of senior patients during a hospital stay.

#### **4. Achieve sustained financial viability**

- a. Completely reorganized UTHCT's administrative structure with marked reduction in executive positions which has resulted in substantial cost savings (> \$1 million).
- b. Implemented Financial Recovery Plan that is currently ahead of schedule.
- c. Accomplished \$8.5 million turnaround from the previous year.
- d. Submitted balanced and realistic budget for FY07.

#### **5. Increase UTHCT patient base**

By opening up additional specialty practices in rural East Texas, patients and some ancillary care should be referred to UTHCT:

- a. A new pulmonary clinic opened in Kilgore, Texas, on January 2, 2006. A board-certified pulmonologist treats patients with a chronic or serious lung program, who have trouble breathing or have been diagnosed with any type of lung disease.

- b. On March 2, 2006, UTHCT opened a new cardiology clinic in Gilmer, Texas. A board-certified cardiologist is available, and diagnostic tests such as EKGs, echocardiograms, and stress testing are available.
- c. Also in Gilmer, Texas, a new gastrointestinal clinic was opened on April 5, 2006. Gastroenterologists specialize in the diagnosis and treatment of diseases of the digestive system, such as hepatitis, ulcerative colitis, Crohn's disease, and colon or rectal cancer. Procedures available in Gilmer include colonoscopy with polyp removal, upper endoscopy, and outpatient consultation services.
- d. Also, UTHCT has seen marked increase in the number of patients seeking care in the emergency room upon completion of UTHCT's ER renovation last fall.

## **B. Long-term Goals**

### **1. Formation of a strategic educational alliance between UTHCT and UT Tyler resulting in joint graduate and undergraduate schools in health and biological sciences that will become the major teaching entities in health sciences and biotechnology in East Texas**

- a. Moved forward on medical technology and environmental health in nursing degrees with UT Tyler.

Nothing else to report at this point.

### **2. Build a prestigious research program**

UTHCT scientists/researchers will achieve this goal by competitive acquisition of extramural funding and have received several grants in the past fiscal year:

- a. A UTHCT scientist received \$368,000 from National Institutes of Health (NIH) over two years to develop a DNA-based TB vaccine.
- b. Researchers at UTHCT received almost \$1.4 million over five years from the NIH to investigate genetic alterations that protect people from TB.
- c. Two scientists at UTHCT have received \$1.1 million each from NIH to study new pathways that regulate blood-clotting.
- d. A UTHCT investigator has received a two-year \$378,000 grant from the NIH to determine how TB organisms multiply and spread inside the body.
- e. Two scientists from UTHCT each received a three-year grant of \$324,000 from the Flight Attendant's Medical Research Institute (FAMRI) to determine how exposure to secondhand smoke influences the pathogenesis of airway injury and cancer.
- f. A UTHCT researcher received a three-year, \$300,000 grant from the American Diabetes Association to fund a study to identify immune pathways that can be exploited so that insulin-producing cells can be successfully transplanted into patients with type 1 diabetes.
- g. The Southwest Center for Agricultural Health, Injury Prevention, and Education, located at UTHCT, is one of 10 organizations awarded a two-year \$504,000 grant from the National Institute for Occupational Safety and Health

**3. Develop comprehensive clinical care for veterans in East Texas**

- a. Visited with UT System staff in Washington, DC, local legislators, and the Texas Veterans Land Board to build a VA nursing home on the UTHCT campus. One area of discussion is funding this VA nursing home, as UTHCT is one of the next two sites the Texas Veterans Land Board has selected once federal funding is authorized.
- b. Discussed with the Veterans Administration in Texas about opening a possible VA clinic at UTHCT (FYI – in March, 2006, the VA placed this project on hold for the immediate future).

**4. Build/expand infrastructure to support education, research, and patient care and beautification of campus**

- a. Submitted TRB request to UT System in April 2006 in anticipation of possible consideration by State Legislature during the Special Session that commenced April 17.
- b. This request is for an Academic Health Center to be built in south campus location to support the development of new internal medicine residency program and to provide patient care and clinical teaching space and support space for this endeavor.
- c. The current demand on the main campus for classroom and conference room space significantly exceeds the capacity of the available meeting and training space.
- d. Transferring these activities to this south campus location would allow greater flexibility in the education and training of the residents; provide additional, critical clinical space for the patients treated by the residents; and reduce the on-campus demand for this training space.
- e. This facility will expand the educational opportunities for the residency program and will expand the Health Center's patient base.

**II. Future Initiatives of High Strategic Importance**

**1. Formation of a strategic educational alliance between UT Health Center at Tyler and UT Tyler to make UTHCT/ UTT the major teaching entities in health sciences and biotechnology in East Texas, which will require UTHCT obtaining degree-granting authority.**

Nothing to report at this point.

**2. Expand UTHCT's externally funded research to \$30 million program within the next 10 years.**

Over the past year, UTHCT investigators initiated research collaborations that will accelerate the growth of the UTHCT research enterprise.

- a. UTHCT has received the largest government-funded research grant in its history: a NIH consortium grant of almost \$7.8 million to study lung scarring. The five-year grant from the National Heart and Lung Institute, part of the NIH, will identify new ways to protect the lungs from scarring.

An internationally-known field of experts in their respective fields directs this research. The UTHCT research team will investigate how cells lining the lungs and airways promote lung scarring and then will test ways to prevent it. The research team includes investigators from the University of Pennsylvania and from a biopharmaceutical company in San Diego, California. A physician researcher at the University Hospital in Giessen, Germany, is also part of the lung injury team.

This grant is a major initiative of UTHCT's Texas Lung Injury Institute (TLII), a research consortium of UTHCT investigators and external partners, who collaborate to identify new and better ways to treat lung injury and scarring. Institute partners include investigators in biotechnology firms and renowned scientists in several academic centers outside the United States. The Institute is headquartered in state-of-the-art labs at UTHCT. Investigators at the Institute will conduct research to improve patient care, test new treatment strategies in clinical trials, and find new drugs to cure lung diseases.

These diseases include various forms of acute lung injury (ALI), pulmonary fibrosis, cystic fibrosis, and chronic obstructive pulmonary disease or COPD. The Institute will use private donations to support projects early in their development. With results from this research, UTHCT will leverage these funds to obtain additional new funding from NIH and other extramural sources of support.

Several Institute projects that relate to the NIH-funded study of lung injuries are just beginning or will soon be under way. These include investigation of a new strategy to prevent lung scarring with a long-acting fibrinolytic, or clot-busting agent. The Institute plans to seek additional NIH and other extramural funding to support this work.

- b. New investigators have been recruited to add additional strength and depth to the UTHCT research community and to consolidate the capabilities of the TLII.

Five new research faculty members who have joined The University of Texas Health Center at Tyler bring expertise in new, relevant scientific disciplines, including population genetics, immunology, vascular biology, cancer biology, and cellular aging and senescence. Each investigator individually brings new competitive science to UTHCT and collective strength to the research program at UTHCT. These investigators have all secured impressive extramural funding, including NIH grants, to support their research.

### **3. Develop four major centers for excellence**

- a. Geriatrics – The UTHCT Center for Healthy Aging has built a clinical program that includes comprehensive senior assessments, a separate senior assessment center, and state-of-the-art protocols for the excellent care of the older person. The Center is now serving in a medical directorship role for at least two local nursing homes, with the plan to expand this program to five homes by the end of next year. In addition, the Center provides medical care in 12 nursing homes in this area, and rural outreach in this area is expanding. UTHCT has a Long Term Care Coalition that facilitates a monthly caregiver group, as well as a monthly meeting for long term care professionals.
- b. Lung Diseases Research – UTHCT's Center for Biomedical Research has developed a core of nationally competitive scientists in the fields of biochemistry, cell biology, epidemiology and biomathematics, microbiology, and molecular biology. These talented researchers are studying some of the most challenging health problems facing our world today: lung cancer, chronic obstructive lung disease, asthma, adult respiratory distress syndrome, DNA damage and repair, TB vaccine development, and occupational lung disease. For

details, please refer to Section I.B.2 and II.2. in reference to the Texas Lung Injury Institute.

- c. Infectious Diseases, Allergy, and Immunology/Center for Pulmonary Infectious Disease Control (CPIDC)
- CPIDC is committed to research that will further the understanding of tuberculosis and other mycobacterial diseases. One major focus of CPIDC research is to understand the mechanisms for antituberculosis vaccine. The most important clinical responsibility of the CPIDC is to support a toll-free infectious disease consulting service provided, without cost, to all Texas physicians and health care agencies throughout the state.
  - Additionally, UTHCT has several physicians with national reputations for their work, including pulmonary pathologist; researchers known for their research in tuberculosis; a physician known for his treatment of patients with HIV/AIDS, as well as other infectious diseases such as hepatitis B, hepatitis C, herpes, and West Nile virus; the vice president for research is internationally known for his research into the causes and treatment of pulmonary fibrosis or lung scarring; a physician known for his expertise linked to asbestos and other occupational lung diseases; and a physician who specializes in treating people with infections caused by nontuberculous mycobacteria (mycobacterial avium complex or MAC). Many patients with cystic fibrosis who are fighting lung infections are also referred to this physician.
  - In addition, the Public Health Lab of East Texas (PHLET), a regional public health lab located at UT Health Center at Tyler, is funded by Centers for Disease Control and Prevention (CDC) and the Health Resources and Services Administration (HRSA). It is part of the bioterrorism preparedness joint effort between UT Health Center and the Texas Department of State Health Services (TDSHS). The diagnostic laboratory will have special safety features, including an air-handling system that enable laboratory staff to safely analyze bacteria such as anthrax and other microbes that cause dangerous and infectious diseases. After the anthrax scare in 2001, white powdery substances were found in the region, and the samples had to be sent to labs in Dallas or Houston to be tested. This new lab allows UTHCT and TDSHS to identify agents much more rapidly and is able to respond quickly and appropriately. The laboratory is also able to evaluate common and emerging infections important to public health, such as tuberculosis, meningitis, Group B streptococcus in pregnant women, and pertussis, or whooping cough.
- d. Rural Health Disparities – UTHCT Community Outreach and Health Disparities Program has been involved in community and public health activities, through the Public Health Lab of East Texas, and through programs such as “Steps to Healthy Aging.” This program recently received a grant from the Texas Department of State Health Services to fund the creation of the “Faith Based Guide to Wellthy Living.” The grant was awarded to UTHCT because the Community Outreach and Health Disparities Program was successful with an earlier wellness program involving African-American churches.

## Appendices

### A. Budget Summary

The University of Texas Health Center at Tyler  
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	\$ -	-	-	-
Federal Sponsored Programs	5,805,732	10,246,667	4,440,955	76.5%
State Sponsored Programs	452,677	1,244,793	792,116	175.0%
Local and Private Sponsored Programs	1,680,380	2,759,046	1,078,666	64.2%
Net Sales and Services of Educational Activities	2,893,417	4,416,889	1,523,472	52.7%
Net Sales and Services of Hospital and Clinics	53,840,361	48,878,815	(4,961,746)	-9.2%
Net Professional Fees	14,299,464	11,295,074	(3,004,390)	-21.0%
Net Auxiliary Enterprises	893,748	234,605	(659,143)	-73.8%
Other Operating Revenues	3,661,277	602,225	(3,059,052)	-83.6%
<b>Total Operating Revenues</b>	<b>83,527,056</b>	<b>79,677,934</b>	<b>(3,849,122)</b>	<b>-4.6%</b>
<b>Operating Expenses:</b>				
Instruction	8,919,114	5,044,181	(3,874,933)	-43.4%
Academic Support	-	-	-	-
Research	12,003,951	15,965,060	3,961,109	33.0%
Public Service	-	-	-	-
Hospitals and Clinics	82,262,552	85,183,987	2,921,435	3.6%
Institutional Support	8,888,834	8,821,331	(67,503)	-0.8%
Student Services	-	-	-	-
Operations and Maintenance of Plant	7,894,755	5,717,737	(2,177,018)	-27.6%
Scholarships and Fellowships	-	-	-	-
Auxiliary Enterprises	852,071	211,705	(640,366)	-75.2%
<b>Total Operating Expenses</b>	<b>120,821,277</b>	<b>120,944,001</b>	<b>122,724</b>	<b>0.1%</b>
<b>Operating Surplus/Deficit</b>	<b>(37,294,221)</b>	<b>(41,266,067)</b>	<b>(3,971,846)</b>	<b>10.7%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	35,891,251	39,095,121	3,203,870	8.9%
Gifts in Support of Operations	469,490	569,461	99,971	21.3%
Net Investment Income	2,553,404	2,585,299	31,895	1.2%
Other Non-Operating Revenue	1,000,000	-	(1,000,000)	-100.0%
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>39,914,145</b>	<b>42,249,881</b>	<b>2,335,736</b>	<b>5.9%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(1,745,578)	(2,511,704)	(766,126)	43.9%
Other Additions and Transfers	-	-	-	-
Other Deductions and Transfers	-	-	-	-
<b>Total Transfers and Other</b>	<b>(1,745,578)</b>	<b>(2,511,704)</b>	<b>(766,126)</b>	<b>43.9%</b>
<b>Surplus/(Deficit)</b>	<b>\$ 874,346</b>	<b>(1,527,890)</b>	<b>(2,402,236)</b>	<b>-274.7%</b>
<b>Total Revenues</b>	<b>\$ 123,441,201</b>	<b>121,927,815</b>	<b>(1,513,386)</b>	<b>-1.2%</b>
<b>Total Expenses and Debt Service Transfers</b>	<b>(122,568,855)</b>	<b>(123,455,705)</b>	<b>(888,850)</b>	<b>0.7%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ 874,346</b>	<b>(1,527,890)</b>	<b>(2,402,236)</b>	

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

## B. Statistical Profile

<i>academic year</i>				02-03	03-04	04-05
Accredited resident programs				2	2	2
Residents in accredited programs				24	23	24

<i>fiscal year</i>	2000	2001	2002	2003	2004	2005
Federal research expenditures	\$2,807,980	\$3,063,099	\$2,783,554	\$3,493,554	\$4,659,021	\$4,956,399

<i>academic year</i>	00-01	01-02	02-03	03-04	04-05	05-06
All instructional staff	102	112	119	110	107	
Administrative		63	76	80	50	46
Other, Non-Faculty		1,095	1,041	1,062	1,110	1,035
Student employees		14	13	11	8	10

<i>fiscal year</i>	1999	2000	2001	2002	2003	2004
Hospital admissions	3,504	3,714	3,554	3,805	3,765	3,369
Hospital days	28,163	29,802	29,451	29,021	26,942	24,789
Outpatient visits	126,585	132,772	135,978	140,473	119,515	114,968
Un-sponsored charity care	\$2,619,752	\$3,261,170	\$4,992,170	\$5,405,720	\$6,814,083	\$7,008,950

<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	\$33,791,000	\$29,465,000	\$26,136,000	\$28,288,000	\$31,729,000	\$36,271,000

