Meeting of the U. T. System Board of Regents - Health Affairs Committee

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FOR
HEALTH AFFAIRS COMMITTEE

Committee Meeting: 2/11/2015
Board Meeting: 2/12/2015
Austin, Texas

Robert L. Stillwell, Chairman
Ernest Aliseda
Jeffrey D. Hildebrand
Brenda Pejovich
Wm. Eugene Powell

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<tr>
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<tr>
<td>Convene</td>
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<tr>
<td></td>
<td>1:30 p.m.</td>
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<td>Chairman Stillwell</td>
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<tr>
<td>1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration</td>
<td>1:30 p.m.</td>
<td>Action 232</td>
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<td>Action</td>
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<td>President Colasurdo</td>
<td>233</td>
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<td>2. U. T. Health Science Center - Houston: Discussion and appropriate action regarding authorization to form a shared ownership management services organization with Memorial Hermann Health System, a Texas nonprofit corporation, to support the physician billing and collections and electronic health records needs of UT Physicians, U. T. Health Science Center - Houston’s faculty group practice, and Memorial Hermann Medical Group, a Memorial Hermann Health System affiliate</td>
<td>1:32 p.m.</td>
<td>Action 244</td>
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<td>Action</td>
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<td>President DePinho</td>
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<td>3. U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding authorization to negotiate and enter into a co-location agreement with Memorial Hermann Health System, a Texas nonprofit corporation, and/or its designee to identify, develop, and set forth general principles regarding the leasing of clinical space to relocate and expand its clinical services in the greater Houston metropolitan area</td>
<td>1:40 p.m.</td>
<td>Action 247</td>
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<td>Action</td>
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<td>President Podolsky</td>
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<tr>
<td>4. U. T. Southwestern Medical Center: Approval to establish a Doctor of Philosophy degree program in Organic Chemistry in the Graduate School of Biomedical Sciences</td>
<td>1:48 p.m.</td>
<td>Action 247</td>
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<td>President Podolsky</td>
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<td>Committee Meeting</td>
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<tr>
<td>5. <strong>U. T. System: Approval to amend Regents' Rules and Regulations, Rule 40601, Sections 1.13 - 1.14 and 1.16 - 1.18</strong></td>
<td><strong>Action</strong></td>
<td>251</td>
</tr>
<tr>
<td>to align the names of the schools, add hospitals and clinics, and acknowledge names currently in use at U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, U. T. Health Science Center - San Antonio, U. T. M. D. Anderson Cancer Center, and U. T. Health Science Center - Tyler</td>
<td><strong>Dr. Greenberg</strong></td>
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</table>

| 6. **U. T. System: Approval of $5 million from the Available University Fund (AUF) to support U. T. System initiatives to be led by the Associate Vice Chancellor for Population Health to improve the health of Texans** | **Action** | 255 |
| | **Dr. Greenberg** | |
| | **Dr. David L. Lakey** | |

| | **Dr. Callender** | |
| | **Dr. James Le Duc** | |

| | **Dr. Greenberg** | |

| Adjourn | | 2:30 p.m. |
1. **U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration**

**RECOMMENDATION**

The proposed Consent Agenda is located at the back of the book.
2. **U. T. Health Science Center - Houston: Discussion and appropriate action regarding authorization to form a shared ownership management services organization with Memorial Hermann Health System, a Texas nonprofit corporation, to support the physician billing and collections and electronic health records needs of UT Physicians, U. T. Health Science Center - Houston's faculty group practice, and Memorial Hermann Medical Group, a Memorial Hermann Health System affiliate**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel that permission be granted to U. T. Health Science Center - Houston, through its UT Physicians certified nonprofit health care corporation, to move forward with the initial corporate formation with Memorial Hermann Health System, a Texas nonprofit corporation, of a shared ownership (50% each) management services organization, to support the physician billing and collections and electronic health records needs of U. T. Health Science Center - Houston's faculty group practice and Memorial Hermann Medical Group, a Memorial Hermann affiliate employing approximately 200 physicians.

**BACKGROUND INFORMATION**

U. T. Health Science Center - Houston seeks approval to begin development, in partnership with long-time hospital affiliate Memorial Hermann Health System (MHHS), of a shared, best-in-class physicians' management services organization (MSO) that: (a) supports the organizations’ physicians, (b) ensures full and fair reimbursement from payers, and (c) provides maximum quality and “ease of use” to patients.

The proposed MSO would provide administrative support services to physicians employed by both the Health Science Center and MHHS, focused primarily on the physicians' revenue cycle and integration of clinical information technology (particularly, a common electronic health record [EHR]).

The Health Science Center and MHHS expect that patient safety and quality, care coordination, cost containment, and other issues can be enhanced through tighter integration and alignment of health information systems, EHR, and other Information Technology (IT) platforms. A key element of the value proposition is that U. T. Health Science Center - Houston and MHHS can better implement and sustain these large, complex systems together than separately.

This collaboration will not effect a change of employment status of the Health Science Center faculty to the MSO or any other entity. U. T. Health Science Center - Houston will remain the employer of its faculty -- only U. T. Health Science Center - Houston's Medical School Dean, department chairs, division chiefs, and other senior faculty will manage the faculty. Similarly, MHHS (or its affiliates) will remain the employer of its physicians. The business model is set forth on Slide 8 of the following PowerPoint presentation.
The proposed MSO does not contemplate any change in U. T. Health Science Center - Houston's current handling of the Health Science Center's approximately $20 million per month of net physician professional fee collections (i.e., funds received directly from payers into a Health Science Center-controlled lock box, at Health Science Center-controlled clinics, etc.)

It is anticipated that U. T. Health Science Center - Houston and MHHS will each invest $4 million to fund projected start-up expenses and to provide 12-18 months of working capital for the initial phases of operations. U. T. Health Science Center - Houston's initial investment into the MSO will come from UT Physicians' cash reserves. It is expected that the MSO will begin to generate funds that recover some of its costs by the end of this start-up timeframe.

Finally, none of the activities of the proposed MSO involve support of business functions for MHHS's hospitals or other, non-physician ancillary services.
Management Services Organization (MSO) Joint Venture between The University of Texas Health Science Center at Houston (UTHSC-H) and Memorial Hermann Health System (MHHS)

Giuseppe N. Colasurdo, M.D., President
The University of Texas Health Science Center at Houston

U. T. System Board of Regents’ Meeting
Health Affairs Committee
February 2015
UTHSC-H & MHHS

Facts and Figures

- Over 1.5 million patient visits at more than 125 locations, including hospitals, clinics and other facilities

- MHHS – Texas Medical Center campus
  - Currently undergoing $700 million expansion
  - Ranked this year by University Healthsystem Consortium as one of the top 12 teaching hospitals in the country
UTHSC-H Medical School Breakdown of Revenues

MHHS Contract Revenue Contribution

FY 2007 – 15% of total revenue provided by MHHS
FY 2014 – 28% of total revenue provided by MHHS

($ in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>MHHS Contract Revenue</th>
<th>All Other Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$54.26</td>
<td>$313.23</td>
</tr>
<tr>
<td>2014</td>
<td>$187.24</td>
<td>$474.76</td>
</tr>
</tbody>
</table>
UTHSC-H FY 2014 Revenues By Source

($ in thousands)

- State: $210,587
- Tuition and Fees: $39,814
- Clinical (both professional fee income and hospital contracts): $652,257
- Other (Auxiliary Enterprises): $23,920
- Contracts and Grants: $183,736
- Gifts and Endowments: $35,224
- Designated - Other: $82,209
Inpatient Market Share Trends (Greater Houston Area)

- Memorial Hermann: 23.7%
- Hospital Corporation of America: 18.8%
- Houston Methodist: 12.9%
- St. Luke's: 8.1%
- Harris Health: 6.4%

A Decade of Strategy Execution

<table>
<thead>
<tr>
<th>Fiscal Year 2002</th>
<th>Fiscal Year 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>113,206</td>
<td>Inpatient Admissions</td>
</tr>
<tr>
<td>156,712</td>
<td>Adjusted Admissions</td>
</tr>
<tr>
<td>$1,606,655</td>
<td>Net Operating Revenue ($000s)</td>
</tr>
<tr>
<td>$230,919</td>
<td>Operating Cash Flow ($000s)</td>
</tr>
<tr>
<td>$97,012</td>
<td>Operating Income ($000s)</td>
</tr>
<tr>
<td>$2,062,393</td>
<td>Total Assets ($000s)</td>
</tr>
<tr>
<td>$375,650</td>
<td>Cash/Investments ($000s)</td>
</tr>
</tbody>
</table>

($ in thousands)
UTHSC-H Contractual Revenues from MHHS

*Projected
MSO Strategic Intent

To effectively and efficiently provide clinical integration, revenue cycle, administrative, and technology services to UTHSC-H Physicians, MHHS physicians, and other providers in the Houston market, allowing physicians to provide patient-centric quality care across a more clinically integrated network.

**Strategic Value**
- Deliver a streamlined interaction with patients, leading to a better patient experience
- Create a competitive advantage in marketplace for physician practices, payers, and patients
- Build a stronger, more permanent relationship between MHHS and UTHSC-H

**Clinical Value**
- Improve quality of care and patient safety
- Enhance the ability to share data across facilities and the continuum of care
- Improve clinical integration
- Allow physicians to focus more on patient care

**Financial Value**
- Leverage capital expenditures across organizations
- Lower operating costs
- Increase collections per Relative Value Unit
- Increase patient retention
High-Level Business Model

Board of Directors
Comprised of equal representation from MHHS and UTHSC-H. Charged with making decisions on the management and operations of the MSO.

MSO Management/Staff
Employment decisions are still to be determined. Some key revenue cycle and electronic medical records (EMR) executive resources to be included within MSO employment.
Key Benefit Drivers

Non-quantified Benefits
- Operational Efficiencies (e.g., shared scheduling and payment follow-up personnel)
- Improved Continuity and Quality of Care (e.g., more “visible,” shared EMR information)
- Improved Patient Experience (e.g., fewer “hand-offs” between UT’s and MHHS’s systems)

Enhanced Revenue Base
- More referrals within UTHSC-H and MHHS Physician Groups
- Physician Productivity (e.g., better, more sophisticated EMR that’s shared)
- Charge Accuracy / Lost Charges Improvement

Increased Collection Yield
- Reduction in Bad Debts
- Reduction in Denial Write-offs
3. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding authorization to negotiate and enter into a co-location agreement with Memorial Hermann Health System, a Texas nonprofit corporation, and/or its designee to identify, develop, and set forth general principles regarding the leasing of clinical space to relocate and expand its clinical services in the greater Houston metropolitan area**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for External Relations, the Vice Chancellor and General Counsel, and President DePinho that the U. T. System Board of Regents authorize U. T. M. D. Anderson Cancer Center to negotiate and enter into a co-location agreement with Memorial Hermann Health System, a Texas nonprofit corporation (Memorial Hermann), and/or its designee to identify, develop, and set forth general principles regarding the leasing of space by M. D. Anderson to relocate and expand its clinical services in the greater Houston metropolitan area.

**BACKGROUND INFORMATION**

M. D. Anderson's Houston suburban strategy includes an ongoing program created to advance the institution's mission to eliminate cancer by collaborating with community hospitals and health systems to improve the quality of cancer care in Houston by establishing suburban outpatient clinics throughout the greater Houston metropolitan area. One of the aims of this strategy is to provide better regional access for patients to the institution's best practices, leading edge technologies, patient treatment protocols, education, research and the institution's unique multidisciplinary approach to patient care.

Beginning in 2004, the institution leased just over 121,500 rentable square feet of space for M. D. Anderson's suburban facilities in six locations around the greater Houston metropolitan area; the lease for each location was secured based on demand for services in the respective submarket. As services expanded beyond radiation oncology and chemotherapy, additional space for support services such as laboratory, pharmacy, and diagnostic services was needed to meet patient care requirements at some locations. Accordingly, over the past several years the amount of leased space has increased. In locations where available lease space was not proximate to existing leased facilities, patients are required to travel to multiple buildings to complete their visits. Today, the institution leases just under 206,400 rentable square feet of space in five facilities to meet the needs of the suburban outpatient clinics in the greater Houston metropolitan area, many of which are operated in co-located facilities and based on existing relationships with St. Luke's Health and Christus Health. However, these existing relationships are dissolving due to mergers and the realignment of institutional alliances, and therefore, the leases for these co-located existing facilities will not be renewed.

Knowing that the base terms of the existing leases will begin to expire in 2017, the institution has strategically evaluated how best to provide replacement facilities necessary to meet the needs of patients in the greater Houston metropolitan area. Accordingly, the institution determined that there is further benefit to leasing additional facilities beyond those requiring relocation based on the following considerations: (1) the historical performance of the suburban
facilities, (2) the projected population growth for metropolitan Houston and the surrounding areas, (3) the effect that federal law requirements will likely have on the delivery of cancer care, and (4) the financial implications associated with M. D. Anderson building its own permanent facilities.

Key conclusions drawn by M. D. Anderson regarding its regional cancer care program include:

- The population will continue to grow in the greater Houston area with most of that growth occurring in suburban communities, away from the Texas Medical Center. This population growth will include an increase in the “65 and over” age group - the age group most likely to need cancer care and less able to travel to the Texas Medical Center for treatment.

- M. D. Anderson serves about 25% of the cancer patients within the Houston area.

- Services provided at suburban locations outside of M. D. Anderson’s Texas Medical Center Campus (TMC Campus) currently make up more than 15% of M. D. Anderson’s overall new patient volumes.

- If the institution simply maintains its current market share, M. D. Anderson will need to expand its suburban facilities to continue to serve patients in neighboring communities to match population growth.

- Having recently entered into a relationship with Memorial Hermann to provide specialized breast cancer screening services, it would be to M. D. Anderson’s benefit to identify opportunities to co-locate suburban facilities on or near Memorial Hermann campus sites to expand the institution’s reach to patients in the greater Houston metropolitan area.

- These co-locations will facilitate patients having direct and proximate access to M. D. Anderson for oncology care in a geographically distributed approach across the greater Houston metropolitan area. Increased patient access will provide a stronger patient base for the institution’s clinical research, as well as provide increased patient referrals to the main M. D. Anderson campus for the more complicated cancer cases.

- Shifting demographics, realignment of alliances, and industry factors support leasing of facilities in lieu of ownership.

In summary, M. D. Anderson proposes to collaborate with Memorial Hermann to develop and lease up to nine Houston area suburban facilities to position M. D. Anderson strategically, yet flexibly, to expand its patient services. Entering into a definitive agreement with Memorial Hermann to identify, develop, and lease space either on or proximate to Memorial Hermann health care campuses provides a sound strategy for positioning M. D. Anderson to meet the needs of cancer patients throughout the greater Houston metropolitan area. These contemplated facilities will additionally provide, where appropriate, cancer care services to enhance the services provided by M. D. Anderson physicians that staff Memorial Hermann breast imaging centers in the greater Houston area.
The lease agreements would be executed with Memorial Hermann as lessor or, as needs dictate, directly with a developer/landlord agreed upon by the parties for the respective property. The duration of each lease will vary by location. This strategy allows M. D. Anderson to be flexible in locating and sizing outpatient facilities to accommodate the level of services needed and the neighboring population. Specific leases will be brought to the Board of Regents for authorization as and when sufficient information is known.
4. **U. T. Southwestern Medical Center: Approval to establish a Doctor of Philosophy degree program in Organic Chemistry in the Graduate School of Biomedical Sciences**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Podolsky that authorization, pursuant to the Regents’ *Rules and Regulations*, Rule 40307, related to academic program approval standards, be granted to

a. establish a Doctor of Philosophy (Ph.D.) degree program in Organic Chemistry in the Graduate School of Biomedical Sciences at U. T. Southwestern Medical Center; and

b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

**BACKGROUND INFORMATION**

**Program Description**

U. T. Southwestern Medical Center proposes to establish a Ph.D. degree program in Organic Chemistry to be administered by the Graduate School of Biomedical Sciences. On August 22, 2013, preliminary planning authority for this degree program was approved by the Board of Regents via the Consent Agenda.

This degree program will prepare organic chemists for careers in drug discovery and development and will provide them the opportunity to obtain positions in the pharmaceutical industry, in government regulatory agencies, or as independent researchers in academic or government settings. For this research focus, success requires an education that integrates organic chemistry with biology and biochemistry.

The mission of the Organic Chemistry Graduate Program is to provide students with the experience and knowledge needed to address the most important problems in organic chemistry, natural products, and drug discovery. A particular focus will be placed on the scientific interface between chemistry and biology. Students will receive training through rigorous courses taught by experts in their fields, through in-depth thesis projects, and through exposure to broader areas of science found at U. T. Southwestern Medical Center.

One of the major objectives of the Organic Chemistry Graduate Program will be to ensure that all students learn from other scientists and research groups. All of the research groups will be highly collaborative, with the goal that students emerge from training having a strong foundation in organic chemistry complemented by a breadth of knowledge that results from collaborative projects. Research projects will focus on all topics of organic chemistry that generally impact biology in various ways. Students may focus on studying natural products with biological activity;
others may develop synthetic methodology that could be useful in drug development; and some may focus on the mechanism of action of drugs while others may seek to develop new pharmaceutical agents. Overall, the objective is to produce students who are independent scientists, capable of tackling the most important problems in chemistry and biology.

**Need and Student Demand**

Even without an independent organic chemistry program, the institution has 15 students who are enrolled and working in organic chemistry research groups; one of whom is expected to defend his dissertation within the next six months. While there are chemistry graduate programs in Texas, none have an organic chemistry focus. The Organic Chemistry Graduate Program will be only the third organic chemistry program in the country associated with a medical school. It will be unique in that students will have the opportunity for research and training involving chemists, biologists, and clinicians.

Chemists are highly employable, even in a relatively weak economy. Over the last decade, in the context of high nationwide unemployment, chemists have enjoyed unemployment rates generally less than 4%, with peak unemployment in 2011 at 4.5%. Current unemployment among all chemists is 4.2%, currently falling and roughly half of the overall unemployment rate (source: *Chemistry and Engineering News* [C&EN] Nov. 5, 2012). Job prospects for biomedical Ph.D.s are similarly robust, with only 2% unemployment (source: *Science*, 2012:338, 1405). Furthermore, salaries for chemists are well above national averages, with average salaries for Ph.D. chemists over $100,000 and average starting industrial salaries of $88,000 (source: *C&EN*, Sep. 24, 2012).

As of 2011, Texas was the third largest employer of chemists nationwide, indicating continuing demand for trained scientists (source: U.S. Bureau of Labor Statistics). Nationally, the U.S. Bureau of Labor Statistics projects a growth rate of 6% for chemists and material scientists from 2012-2022. Although the growth rate is slower than average for all occupations, chemists with advanced degrees are expected to experience better opportunities. Statistics from the American Chemistry Council show that by 2018, the American chemical industry (oil, gas, pharmaceuticals) will post record trade surpluses. Socioeconomic trends with an aging population are projected to expand need and create demand for pharmaceuticals and thus, enhance demand for Ph.D.s in organic chemistry. Additionally, the synthetic chemistry skills acquired by students through this program will translate to the areas of material science and alternative energy, two areas of rapid job growth.

**Program Quality**

A core of 10 full-time faculty members is already in place. All are currently affiliated with the Biological Chemistry graduate program, which houses the Chemistry Track. The majority of the faculty members have primary appointments in the Department of Biochemistry. All have
doctorates in chemistry or medicinal chemistry and will supervise doctoral dissertations. The projected faculty to student ratio is 4:1. No new faculty members are required for this program.

### Chart 1 - Faculty Publications and Other Scholarly Accomplishments
#### 2009 to 2014

<table>
<thead>
<tr>
<th>Faculty Member</th>
<th>Refereed Papers</th>
<th>Book Chapters</th>
<th>Books</th>
<th>Patents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Totals:</td>
<td>212</td>
<td>8</td>
<td>2</td>
<td>30</td>
</tr>
<tr>
<td>Average # per Faculty Member per Year:</td>
<td>4.24</td>
<td>0.16</td>
<td>0.04</td>
<td>0.6</td>
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The 10 faculty members have also been productive in procuring external funding. All grants and contracts for which these faculty members have been or are primary investigator, co-investigator, collaborator, or mentor of a predoctoral or postdoctoral trainee during the past five years have generated $97.7 million. If one counts only the grants/contracts for which the Organic Chemistry faculty members are in the primary investigator role, the total funding they have generated has been $47.2 million (including indirect costs).

### Revenue and Expenses

<table>
<thead>
<tr>
<th>Projected Enrollment</th>
<th>5-Year Total</th>
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<tbody>
<tr>
<td>Number of Students Used for Formula Funding Calculation</td>
<td>119</td>
</tr>
<tr>
<td>Total Number of Students</td>
<td>119</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>5-Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty</td>
<td>$984,249</td>
</tr>
<tr>
<td>Salaries</td>
<td>$246,062</td>
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<tr>
<td>Benefits (25%)</td>
<td>$1,263,668</td>
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<tr>
<td>GRAs</td>
<td>$315,917</td>
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<tr>
<td>Graduate Coordinator Salary</td>
<td>$56,000</td>
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<tr>
<td>Administrative Staff Salaries</td>
<td>$150,510</td>
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<td>Staff Benefits (25%)</td>
<td>$51,627</td>
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<tr>
<td>Total Expenses</td>
<td>$3,073,033</td>
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<tr>
<td>Revenue</td>
<td>5-Year Total</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td><strong>From Student Enrollment</strong></td>
<td></td>
</tr>
<tr>
<td>Formula Funding</td>
<td>$839,360</td>
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<tr>
<td>Tuition and Fees</td>
<td>$531,097</td>
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<tr>
<td><strong>From Grant Funds</strong></td>
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<tr>
<td>Indirect Cost Recovery</td>
<td>$1,702,576</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$3,073,033</strong></td>
</tr>
</tbody>
</table>

All expenses are considered reallocated as no new faculty is projected to be hired for this program. The Program Coordinator and Clerical/Staff responsibilities will be handled on a part-time basis by existing faculty and staff.

**Coordinating Board Criteria**

The proposed program meets all applicable Coordinating Board criteria for new doctoral degree programs.
5. **U. T. System: Approval to amend Regents' Rules and Regulations, Rule 40601, Sections 1.13 - 1.14 and 1.16 - 1.18 to align the names of the schools, add hospitals and clinics, and acknowledge names currently in use at U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, U. T. Health Science Center - San Antonio, U. T. M. D. Anderson Cancer Center, and U. T. Health Science Center - Tyler**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor and General Counsel, and Presidents Podolsky, Callender, Henrich, DePinho, and Calhoun that approval be granted to amend the Regents' Rules and Regulations, Rule 40601, Sections 1.13 - 1.14 and 1.16 - 1.18, concerning institutions comprising The University of Texas System, to align the names of the schools, add hospitals and clinics, and acknowledge names currently in use at U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, U. T. Health Science Center - San Antonio, U. T. M. D. Anderson Cancer Center, and U. T. Health Science Center - Tyler, as set forth below in congressional style. There are no changes to U. T. Health Science Center - Houston entities, but Section 1.15 is listed below to show uniformity.

Sec. 1. **Official Titles.** The U. T. System is composed of the institutions and entities set forth below. To ensure uniformity and consistence of usage throughout the U. T. System, the institutions and their respective entities shall be listed in the following order and the following titles (short form of title follows) shall be used: . . .

**1.13 The University of Texas Southwestern Medical Center (U. T. Southwestern Medical Center)**

(a) The University of Texas Southwestern Graduate School of Biomedical Sciences (U. T. Southwestern G.S.B.S.)

(b) The University of Texas Southwestern Medical School (U. T. Southwestern Medical School)

(c) The University of Texas Southwestern School of Health Professions (U. T. Southwestern - School of Health Professions)

(d) **The University of Texas Southwestern Medical Center University Hospitals and Clinics (U. T. Southwestern - University Hospitals and Clinics)**

**1.14 The University of Texas Medical Branch at Galveston (U. T. Medical Branch - Galveston)**

(a) The University of Texas Graduate School of Biomedical Sciences at Galveston (U. T. G.S.B.S. - Galveston)
(b) The University of Texas Hospitals at Galveston (U. T. Hospitals - Galveston)

c) The University of Texas School of Nursing at Galveston (U. T. Nursing School - Galveston)

d) The University of Texas Medical Branch at Galveston School of Health Professions (U. T. School of Health Professions - Galveston)

e) The University of Texas Medical School at Galveston (U. T. Medical School - Galveston)

(f) The University of Texas Marine Biomedical Institute at Galveston (U. T. Marine Biomedical Institute - Galveston)

/g) The University of Texas Institute for the Medical Humanities at Galveston (U. T. Medical Humanities Institute - Galveston)

1.15 The University of Texas Health Science Center at Houston (U. T. Health Science Center - Houston)

(a) The University of Texas School of Dentistry at Houston (U. T. School of Dentistry - Houston)

(b) The University of Texas Graduate School of Biomedical Sciences at Houston (U. T. G.S.B.S. - Houston)

(c) The University of Texas Medical School at Houston (U. T. Medical School - Houston)

(d) The University of Texas School of Biomedical Informatics at Houston (U. T. Biomedical Informatics - Houston)

(e) The University of Texas School of Nursing at Houston (U. T. Nursing School - Houston)

(f) The University of Texas School of Public Health at Houston (U. T. Public Health School - Houston)

1.16 The University of Texas at Health Science Center at San Antonio (U. T. Health Science Center - San Antonio)

(a) The University of Texas Health Science Center at San Antonio School of Dentistry at San Antonio (U. T. School of Dentistry - San Antonio)
1.17 The University of Texas M. D. Anderson Cancer Center (U. T. M. D. Anderson Cancer Center)

(a) The University of Texas M. D. Anderson Hospital (U. T. M. D. Anderson Hospital)

(b) The University of Texas M. D. Anderson Science Park (U. T. M. D. Anderson Science Park)

(c) The University of Texas M. D. Anderson Tumor Institute (U. T. M. D. Anderson Tumor Institute)

(d) The University of Texas M. D. Anderson Cancer Center School of Health Professions (U. T. M. D. Anderson School of Health Professions)

(d) The University of Texas Graduate School of Biomedical Sciences at Houston (U. T. G.S.B.S. - Houston)

1.18 The University of Texas Health Science Center at Tyler (U. T. Health Science Center - Tyler)

(a) The University of Texas Health Science Center at Tyler School of Medical Biological Sciences (U. T. Health Science Center - Tyler School of Medical Biological Sciences)

(b) The University of Texas Health Science Center at Tyler Hospital (U. T. Health Northeast)
BACKGROUND INFORMATION

U. T. G.S.B.S. - Houston, listed in 1.15(b) and 1.17(d), is a joint venture school between U. T. Health Science Center - Houston and U. T. M. D. Anderson Cancer Center.

The proposed amendments to the Regents' Rules and Regulations, Rule 40601 are to align the names of the schools within the health institutions and acknowledge the names currently in use, which have been approved by the Executive Vice Chancellor for Health Affairs pending approval by the Board.

Texas Education Code Section 65.11 authorizes the Board of Regents to provide for the "names of the institutions and entities in The University of Texas System in such a way as will achieve the maximum operating efficiency of such institutions and entities[.]"
6. **U. T. System: Approval of $5 million from the Available University Fund (AUF) to support U. T. System initiatives to be led by the Associate Vice Chancellor for Population Health to improve the health of Texans**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs and the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents approve $5 million from the Available University Fund (AUF) to be deployed over Fiscal Years 2015-2017 to develop initiatives to be led by the Associate Vice Chancellor for Population Health to improve the health of Texans.

Executive Vice Chancellor Greenberg will introduce the Associate Vice Chancellor for Population Health, David L. Lakey, M.D., for remarks. Dr. Lakey’s presentation is set forth on the following pages.

**BACKGROUND INFORMATION**

Population health focuses on attaining and maintaining health in a population or a community. In traditional health care, the predominant focus is on sick care, addressing acute illness in one patient at a time. Population health analyzes population-level data on health status, health factors, and behaviors as the determinants of health outcomes at the population level. Evidence-based interventions are assessed and selected based on their relevance and potential impact in a given population. After the results of pilot interventions are analyzed, the most impactful best practices can then be replicated and brought to scale to improve the health of ever broader populations.

In 2014, U. T. System convened meetings involving all of the health science centers in Texas, public health officials, and mental health experts. Findings from these meetings established that the health of Texas is less than optimal and the healthy economy would be healthier when fueled by healthier Texans.

Significant differences in health outcomes exist in Texas depending on education, income, race, ethnicity, and geographic location. Notable concentrations of poor health outcomes exist in East Texas, South Texas, and across the rural areas. Local efforts to improve health struggle in isolation. The Associate Vice Chancellor for Population Health has the requisite experience and professional stature to foster collaborations and systems approaches to deploying population health initiatives that will effectively and efficiently improve the health of Texas.

The requested funding will support the development and implementation of a sustainable population health strategic plan to identify and assess current conditions and assets, provide analytical expertise, and support collaborative efforts throughout Texas. This effort embodies the mission of academic medicine to improve health.
Improving the Health of Texans

David L. Lakey, M.D.
Associate Vice Chancellor for Population Health

U. T. System Board of Regents’ Meeting
Health Affairs Committee
February 2015
Overall State Health Rankings

Source: America’s Health Rankings, United Health Foundation 2014 Annual Report
Core Measure Impact

Shows the impacts of core measures on the state’s overall ranking

Texas – 2014
Overall Ranking
31

- Positively impacts the state’s rank
- Negatively impacts the state’s rank

Source: America’s Health Rankings, United Health Foundation 2014 Annual Report
Texas County Health Rankings

Source: County Health Rankings, Robert Wood Johnson Foundation, University of Wisconsin
General Health “Fair to Poor” in Texas by Education

2000 – 2009
Behavioral Risk Factor Surveillance System
Annual potentially preventable deaths based on average death rates for the three states with the lowest rates for each cause


Paula W. Yoon, ScD¹, Brigham Bastian², Robert N. Anderson, PhD², Janet L. Collins, PhD³, Harold W. Jaffe, MD⁴

(Author affiliations at end of text)
Potentially Preventable Deaths in Texas

<table>
<thead>
<tr>
<th>Condition</th>
<th>Observed</th>
<th>Expected</th>
<th>Potentially Preventable</th>
<th>Percent Preventable Texas</th>
<th>Percent Preventable United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heart Disease</td>
<td>19,939</td>
<td>12,683</td>
<td>7,256</td>
<td>36%</td>
<td>34%</td>
</tr>
<tr>
<td>Cancer</td>
<td>27,141</td>
<td>22,143</td>
<td>4,998</td>
<td>18%</td>
<td>21%</td>
</tr>
<tr>
<td>Chronic Lower Respiratory Disease</td>
<td>5,061</td>
<td>3,139</td>
<td>1,922</td>
<td>38%</td>
<td>39%</td>
</tr>
<tr>
<td>CVD/ Stroke</td>
<td>4,254</td>
<td>2,471</td>
<td>1,783</td>
<td>42%</td>
<td>33%</td>
</tr>
<tr>
<td>Unintentional Injury</td>
<td>7,612</td>
<td>4,551</td>
<td>3,061</td>
<td>40%</td>
<td>39%</td>
</tr>
</tbody>
</table>
The Health Impact Pyramid

A Framework for Public Health Action

Partnerships to Improve Health

Community-based Solutions

- Elected Officials
- Public Health
- Food Industry
- Urban Planners, Developers, Architects
- Providers and Hospitals
- Insurance Companies
- Community Groups
- Behavioral Health Partners
- Worksites and Schools
- Higher Education

**REPORT**

Dr. Callender will introduce James Le Duc, Ph.D., Director of the Galveston National Laboratory (GNL) and Professor in the School of Medicine at U. T. Medical Branch - Galveston (UTMB), who will report on GNL’s activities and accomplishments using the PowerPoint set forth on the following pages.

**BACKGROUND INFORMATION**

The ongoing epidemic of the Ebola virus in West Africa has thrust the GNL into the headlines throughout Texas and across the nation. UTMB faculty has been involved in both the on-the-ground response to the epidemic and in the conduct of critical research to develop effective drugs to treat the disease and vaccines to prevent infection. Dr. James Le Duc will provide a summary of the important work taking place at UTMB, including the involvement of UTMB faculty and staff in statewide, national, and international committees and organizations that are focused on combatting this deadly disease. Dr. Le Duc also will provide a summary of the research that is underway in the biocontainment laboratories at the GNL. That overview will include information on:

- Progress made in the development of a novel class of drug (small interfering RNA) that has shown great promise in treating Ebola infection in laboratory animals, with clinical trials recently begun in humans;

- A summary of studies with a vaccine candidate that has proven effective in both preventing infection in laboratory animals when challenged with the live Ebola virus and even proved beneficial when administered to animals after infection; and

- Progress in using human monoclonal antibodies, ZMapp™, and other formulations to treat an Ebola infection.

In addition to work on Ebola, UTMB is involved in research on other infectious disease threats to Texas and the nation, including chikungunya virus, Middle Eastern Respiratory Syndrome (MERS coronavirus), and avian influenza.
UPDATE: The Work of the Galveston National Laboratory at UTMB

James W. Le Duc, Ph.D.
Director, Galveston National Laboratory
Board of Regents’ Meeting
Health Affairs Committee
February 2015
Dr. Tom Ksiazek – Headed up contact tracing for the Centers for Disease Control and Prevention (CDC) in Sierra Leone for six weeks August-September 2014; providing ongoing counsel to CDC and other organizations.

Dr. James Le Duc – Member of World Health Organization (WHO) Emergency Committee on Ebola, member of the Global Outbreak and Alert Response Network (GOARN) Steering Committee, speaker at National Academy of Sciences conference on U.S. Ebola research strategy, and numerous additional advisory roles.

Ksiazek and Le Duc – Texas Task Force on Infectious Disease Preparedness and Response.
Ebola Research Underway

**Anti-filovirus small interfering RNAs (siRNA)** – a novel class of drug developed in collaboration with Tekmira Pharmaceuticals that has shown great promise in laboratory animals against the latest strain of Ebola-Zaire from the current outbreak.

- Recently began clinical trials in humans

**Recombinant Vesicular Stomatitis Virus (rVSV)** – a vaccine candidate that has proven effective at protecting laboratory animals challenged with Ebola and has shown promising results even after animals have shown signs of infection. Developed with Profectus BioSciences.

- Entering Phase 1 clinical trials soon

**Studies of fully human anti-filovirus monoclonal antibodies (ZMapp™)** – conducted in collaboration with Dr. James Crowe, Jr., Vanderbilt University, and corporate partner Mapp Biopharmaceutical.
Other Infectious Disease Research

New, Emerging & Re-emerging Infectious Diseases Studied at UTMB

- Drug-resistant tuberculosis
- Tularemia
- Middle East respiratory syndrome
- Rickettsia Ehrlichia
- West Nile encephalitis
- Dengue
- E. Coli 0157:H7
- Burkholderia
- Hantaviruses
- Anthrax
- Hepatitis C
- Hantaviruses
- Cholera
- Arenaviruses
- Venezuelan equine encephalitis
- Cryptosporidium
- Yellow fever
- Plague
- Chikungunya
- Rift Valley fever
- Monkeypox
- Lassa fever
- Ebola, Marburg
- Severe fever with thrombocytopenia
- H5N1, H7N9 influenza
- Japanese encephalitis
- Nipah virus
- SARS
- Hendra virus
- Hepatitis C
National Institutes of Health (NIH) Funding Activity

UTMB is ranked third nationally for NIH funding for Microbiology research with just over $23 million in 2014.

In addition, GNL received $14 million in funding from the NIH for operational expenses in 2014.

Source: Blue Ridge Institute for Medical Research
UTMB was awarded the National Institutes of Allergy and Infectious Diseases (NIAID) Animal Models of Infectious Disease (AMoID) contract from the NIH in March 2010. To date UTMB has been awarded eight AMoID task orders.

In 2015 there are six active AMoID task orders worth an estimated $22.9 million:

- Task Order A07 – “Development of a Diabetic Mouse Model for Proof of Concept Testing”
- Task Order A64 – “Mouse Models for Therapeutics Testing Against Filoviruses”
- Task Order A68 – “Refinement of Small Model Potency Assays for Filovirus Challenge Material”
- Task Order A71 – “Evaluation of Therapeutics and Vaccines in Mouse Models of Dengue Virus”
- Task Order C12 – “Infectivity and Lethality of Filovirus Strain(s) in Nonhuman Primates following Intramuscular Challenge”
- Task Order D04 – “World Reference Center for Emerging Viruses and Arboviruses”
Infectious Disease Research at the GNL

- Hundreds of people working on funded projects to learn more about the pathology of infectious diseases and to develop diagnostics, therapeutics, and vaccines
- Collaborations with dozens of universities both nationally and internationally
- Work in conjunction with biocontainment labs around the world

Projects are funded by:
- National Institutes of Health
- NIAID
- U.S. Department of Homeland Security

Plus dozens of additional foundations, universities, partnerships, and private interests.
Translational Projects and Corporate Collaborations

The GNL has significant expertise in the development of diagnostics.

- Current collaboration with Cepheid on an Ebola assay that can detect Ebola from a drop of blood within an hour

- Human trials are about to begin in West Africa

- This project is funded in part by over $3 million in grants from private foundations
The primary mission of the National Biocontainment Training Center (NBTC) is to prepare the worldwide community of infectious disease and biosecurity research scientists to work safely in high-containment research laboratories.

More than 7,000 training courses have been provided to people from 34 different countries, 70 different universities, government agencies, and corporations.

NBTC provides training to U.S. military personnel in the U.S. and abroad, and have been involved in training NASA personnel.

NBTC is funded by U.S. Department of Defense Grants, half of which expired in 2014.

**REPORT**

Dr. Raymond Greenberg, Executive Vice Chancellor for Health Affairs, will provide a report on the U. T. Systemwide Diabetes Obesity Control initiative and discuss Phase I implementation.

**BACKGROUND INFORMATION**

Lynda Chin, M.D., Chair at U. T. M. D. Anderson Cancer Center's Department of Genomic Medicine and a Chancellor's Health Fellow, introduced a proposal at the August 20, 2014 Board of Regents' meeting to improve care of patients with diabetes through improved data collection, management, analysis, and application.

On November 6, 2014, the Board of Regents approved $5 million from the Available University Fund to support Phase 1 of the U. T. Systemwide Diabetes Obesity Control initiative (Project DOC) and delegated authority for the Office of Health Affairs and the Office of General Counsel to contract with selected entities to create a Technology Core. Funds provide operational project support within the U. T. System Office of Health Affairs and the contract for hire of an external multifunction consultant team to implement this initiative.

Following a thorough Request for Proposal process, PricewaterhouseCoopers, LLC, International Business Machines Corporation, and AT&T Corporation were selected as the multifunction consultant team to implement this initiative.