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Committee Meeting: 5/4/2022

Board Meeting: 5/5/2022
Austin, Texas

Christina Melton Crain, Chairman
R. Steven Hicks
Jodie Lee Jiles
Janiece Longoria
Nolan Perez
Stuart W. Stedman

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Convene	<i>3:30 p.m.</i> <i>Chairman Crain</i>		
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Adjourn	<i>4:00 p.m.</i>		

1. **U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration**

RECOMMENDATION

The proposed Consent Agenda items assigned to this Committee are [Items 32 - 44](#).

2. U. T. Health Science Center - San Antonio: Approval to establish a Doctor of Nursing Practice in Nurse Anesthesia degree program

RECOMMENDATION

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

- a. establish a Doctor of Nursing Practice in Nurse Anesthesia degree program at U. T. Health Science Center - San Antonio and approve its corresponding tuition and fee rates; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

BACKGROUND INFORMATION

Program Description

The School of Nursing at U. T. Health Science Center - San Antonio, proposes to establish a Doctor of Nursing Practice (D.N.P.)-Nurse Anesthesia degree program. The proposed program is designed to prepare baccalaureate nurses seeking advanced practice as a Certified Registered Nurse Anesthetist (CRNA). The D.N.P.-Nurse Anesthesia Program will educate future CRNAs in accordance with the standards established by the Council on Accreditation of Nurse Anesthesia Education Programs (COA) to perform within the full scope of nurse anesthesia practice. The D.N.P.-Nurse Anesthesia program will be a three-year full-time program awarding the degree to students who successfully complete all requirements.

The proposed D.N.P.-Nurse Anesthesia Program will complement the School of Nursing's graduate education portfolio. Students will meet the essential academic and professional requirements applicable to the D.N.P., as well as the specific academic, clinical, and professional requirements leading to certification and licensure as a CRNA. The program will be delivered in a hybrid format congruent with the School's existing B.S.N. to D.N.P. program for other advanced practice specializations. All nurse anesthesia specific courses will be taught by CRNA faculty. Students will complete 2,160 faculty-supervised clinical hours. Up to eighteen students are expected to enroll in the inaugural cohort, slated to launch in August 2023.

Need and Student Demand

The U.S. Bureau of Labor Statistics projects employment of nurse anesthetists to grow 17% from 2018 to 2028. This growth will occur "because of an increase in the demand for healthcare services," the agency reports. Job opportunities for advanced-practice registered nurses (APRNs), including CRNAs, are likely to be excellent: APRNs will be in high demand, particularly in medically underserved areas such as inner cities and rural areas, the Bureau projects. This is especially relevant in Texas, home to the largest rural population of any state. Concomitant with that growth, beginning in 2023, more than 50% of full-time CRNAs expect to retire from anesthesia practice, according to the American Association of Nurse Anesthetists (2018-2019 Annual Reports).

In the online edition of its white paper, CRNA Supply, Demand and Recruiting Trends, Merritt Hawkins, an advanced-practitioner search and consulting firm, reports that its 2019 Incentive Review found that the average annual income for CRNAs was \$197,000.

The San Antonio metropolitan area is the 25th largest in the United States with a local market of 2.3 million residents that is projected to grow by 28% over the coming decades. Also, San Antonio continues to be one of the nation’s fastest-growing cities; from July 1, 2017, to July 1, 2018, it experienced a population increase of 20,824, bringing the total population to 1.53 million.

In 2017, 167,715 San Antonians were employed in the health care and bioscience industry. This represents about one-sixth of the total San Antonio civilian workforce. Notably, the health care and bioscience industry has added more than 50,000 net new jobs over the past decade, helping to fuel San Antonio’s growth. As one of San Antonio’s leading industries, health care and bioscience has shown steady growth and innovation over the past quarter-century (Source: San Antonio Chamber of Commerce, Healthcare + Bioscience Economic Impact Study, 2018).

Beginning in 2022, the COA requires all new nurse anesthesia students matriculating into an accredited program to be enrolled in a doctoral program. This requirement will further heighten and strengthen an already robust job market for CRNAs. Each year there has been a steady increase in the number of candidates applying for positions in nurse anesthesia schools, greatly outnumbering available seats. In its Summary of Annual Report Data, the COA includes the following:

- 6,891 applications were received for 1,633 available positions (2018)
- 10,615 applications were received for 2,020 available positions (2019)
- 13,525 applications were received for 2,096 available positions (2020)

Four CRNA programs in the state of Texas report similar data: 670 qualified applicants for 213 available positions. Data is not available for Texas residents who applied for available out-of-state positions, but did not apply for available seats in Texas.

Applicants			
	Applying*	Positions Available	% Matriculated
Nationally	10,615	2,020	19%
Texas	670	213	32%

*Unknown number Texas residents applying to out-of-state schools not applying to Texas schools

The five schools currently offering D.N.P.-Nurse Anesthesia programs in Texas are Baylor College of Medicine (Houston), Texas Christian University (Fort Worth), Texas Wesleyan University (Fort Worth), U. T. Health Science Center - Houston, and the U.S. Army Graduate Program in Anesthesia Nursing (Baylor University). The U.S. Army Graduate Program in Anesthesia Nursing only accepts active-duty nurses. Graduates of the Army nurse anesthesia program commit five years of service to the military after graduation. Currently, there are no D.N.P.-Nurse Anesthesia programs in New Mexico and limited programs in the other states that border Texas.

Thus, there is a large pool of qualified individuals who could become successful matriculants into the School’s D.N.P.- Nurse Anesthesia Program.

Program Quality

Eighteen core faculty from the School of Nursing will support the program. The faculty are academically and experientially prepared to accomplish the program outcomes. One additional doctorally-prepared CRNA faculty will be hired prior to admitting students. This person will also serve as the assistant program director. Two additional doctorally-prepared faculty will be hired in year two to deliver nurse anesthesia specific courses.

In accordance with the program's professional accreditation policy, an annual report will be submitted to the COA. The report will reflect the program's commitment to assessing its present status, measuring its accomplishments, identifying future goals, and devising methods for accomplishment of these goals. This assessment is an essential element in the plan to enhance the quality of the educational program. The report will include admission and retention rates, placements of the graduates, changes in the job market need/demand, and student/ex-student/graduate surveys. Additionally, the School of Nursing will submit initial five-year and 10-year reports to the Commission on Collegiate Nursing Education (CCNE). The CCNE reports will address the entirety of the SON's graduate programs adhering to the specific standards outlined, which include:

1. Program Quality: Mission and Governance
2. Program Quality: Institutional Commitment and Resources
3. Program Quality: Curriculum and Teaching-Learning Practices
4. Program Effectiveness: Assessment and Achievement of Program Outcomes

Instruction for the program will be conducted in a hybrid delivery model, to include a combination of online and in-person lectures, clinical simulation courses, and clinical rotations at affiliated practice locations. The School of Nursing has already received affirmation from clinical providers, such as Tejas Anesthesia and U.S. Anesthesia Partners, to collaborate in the support of the clinical education and training components of the program.

Revenue and Expenses

The initial costs for the program for the first three years are approximately \$1.2 to \$2.0 million. Costs include salaries for the program director, assistant director, hiring of additional faculty as needed, as well as equipment, supplies and support for infrastructure and operations. Support from the Long School of Medicine Department of Anesthesiology will fund the initial program start-up costs, which will be repaid as the program's revenue streams stabilize.

As noted above, the D.N.P.-Nurse Anesthesia Program has an extensive clinical training component, including 2,160 hours of clinical rotations under faculty supervision. Faculty supervision is cost-intensive, and the proposed tuition of \$810.81 per Semester Credit Hour (SCH) for Residents and \$1,516 per SCH for non-resident students corresponds to the cost to offer a high-quality program. Existing mandatory fees will also be assessed for students enrolled in this proposed program. The table below summarizes the five-year projection of revenues and expenses.

Projected Enrollment	5-Year Total
Number of Students Used for Formula Funding Calculation	82
Total Number of Students	82
Expenses	5-Year Total
<i>Faculty</i>	
Salaries	\$3,110,537
Benefits	\$714,061
<i>Graduate Students</i>	
TA Salaries	
TA Benefits	
GRA Salaries	
GRA Benefits	
<i>Staff and Administration</i>	
Program Directors Salaries	\$2,109,197
Administrative Staff Salaries	\$974,493
Staff Benefits	\$835,932
SCC Operating Benefits	
<i>Other Expenses</i>	
Supplies and Materials	\$69,800
Equipment	\$150,000
Other (Repairs & Maintenance on Equipment)	\$40,000
Other (Faculty Recruitment/Moving Expenses)	\$30,000
Other (Student Recruitment)	\$20,000
Other (Administrative Travel)	\$30,000
Other (Faculty Development)	\$80,000
Other (Accreditation/Site Reviews)	\$52,803
Other (Dues (AANA)/Licenses and Certifications)	\$11,811
Other (Institutional Overhead on Operations)	\$1,399,716
Total Expenses	\$9,628,350
Revenue	5-Year Total
<i>From Student Enrollment</i>	
Formula Funding	\$2,700,996
Tuition and Fees	\$8,720,441
Total Revenue	\$11,421,437

Coordinating Board Criteria

The proposed program meets all applicable Coordinating Board criteria for new doctoral degree programs.

3. **U. T. Southwestern Medical Center: Report on the Long Range Financial Plan for The University of Texas Southwestern Medical Center**

INTRODUCTION

President Podolsky will report on the long-range financial planning at U. T. Southwestern Medical Center using the PowerPoint on the following pages.

Strategic Planning Overview

Daniel K. Podolsky, M.D.
President

U. T. System Board of Regents
Health Affairs Committee
May 2022

Mission

**Promoting health and a healthy society
that enables individuals to achieve their full potential.**

We:

EDUCATE

Physicians, scientists, and caregivers optimally prepared to serve the needs of patients and society

DISCOVER

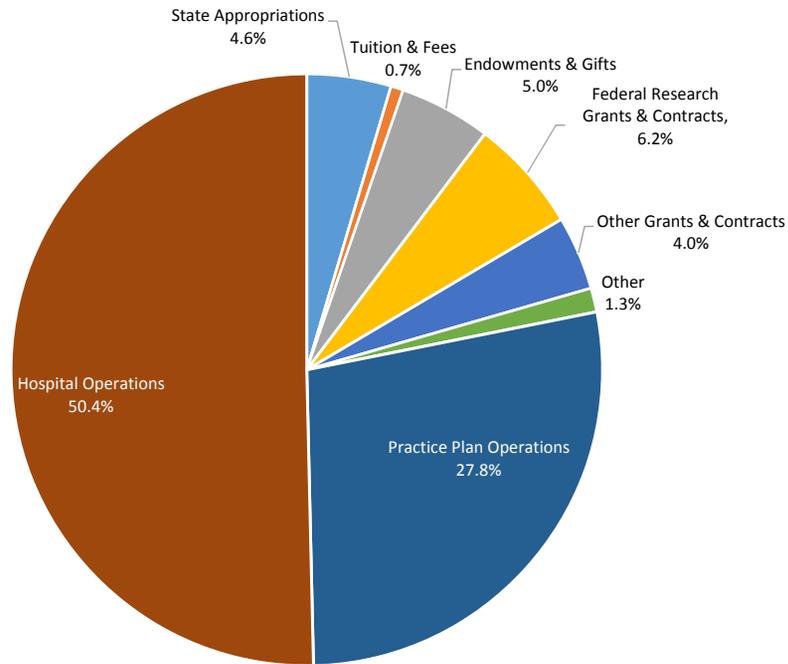
Research that solves for unmet needs by finding better treatments, cures, and prevention with a commitment to ensuring real world application

HEAL

Best care possible today, with continuous improvement and innovation for better care tomorrow

Sources of Funds

U. T. Southwestern Medical Center FY 2022 Budgeted Sources of Revenue = \$4.1 Billion



Proven Operational Success

Over the past 10 years...

Revenue grew from \$1.8B to \$4.1B [Compound Annual Growth Rate (CAGR) of 8.85%]

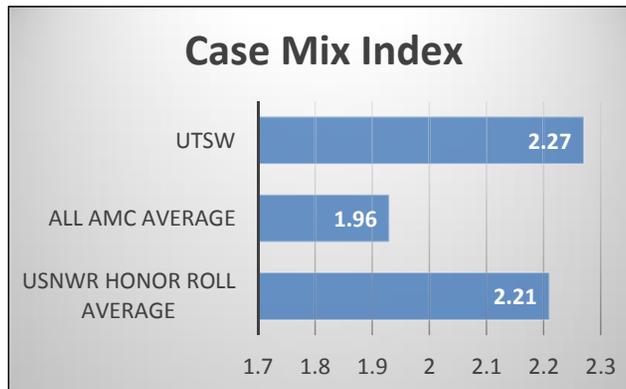
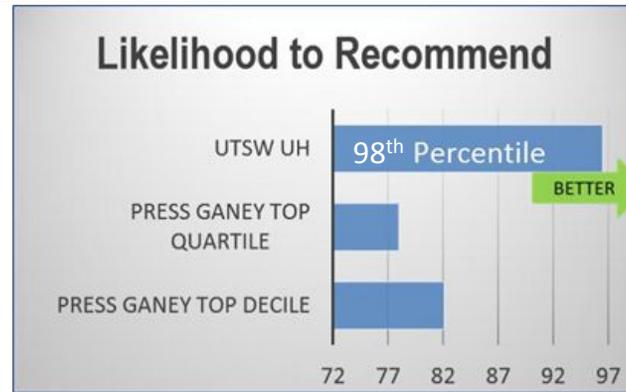
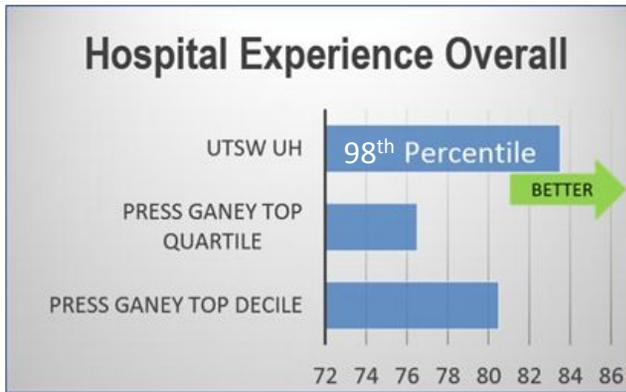
- Cumulative margin of \$1.3B
- Average margin of 4.5%
- Number of hospital beds increased from 482 to 875 (▲ 82%)
- Number of inpatients increased to 609K (▲ 24.1%)
- Number of outpatients increased to 4.5M (▲ 111%), including COVID vaccinations)

Total research expenditures increased to \$554M (▲ 33%)

National Top 5 Academic Medical Center for Patient Experience for the last 5 years

National Top 10 Academic Medical Center in Mortality 3 of the last 4 years (currently 6th)

Highest Quality Care and Service (FY 2021 Data)



Mission Related Capital Investments

One of the key drivers of growth has been the investments made in our clinical, research, and educational missions

Project Name	Operational	Investment Activity (in millions)
William P. Clements Jr. University Hospital (CUH)	December 2014	\$821.0
Moncrief Medical Center, Fort Worth	November 2016	\$84.4
Radiation Oncology Building	March 2017	\$66.0
West Campus Building 3	May 2018	\$232.0
Texas Health Frisco (Joint Venture with Texas Health Resources)	October 2019	\$114.6
Frisco—Medical Office Building (MOB)	December 2019	\$58.7
Vivarium Building	September 2020	\$46.4
Clements University Hospital (CUH) expansion	September 2020	\$502.1
Radiation Oncology – Phase 2	April 2021	\$69.2
UT Southwestern at RedBird Ambulatory Care Services	February 2022	\$37.3
Aston Building Renovation	March 2022	\$47.7
South Campus Academic/Research Infrastructure Reinvestment	August 2022	\$101.1
North Campus Phase 6 – Cancer Center/Brain Institute	October 2022	\$453.8
Biomedical Engineering Sciences Building	May 2023	\$120.0
Zale Lipshy Pavilion Renovation	October 2023	\$79.3
TOTAL		\$2,833.8

William P. Clements Jr. University Hospital



U. T. Southwestern Moncrief Medical Center at Fort Worth

May 4-5, 2022 Meeting of the U. T. System Board of Regents - Health Affairs Committee



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Radiation Oncology Facility



West Campus Outpatient Building 3



U. T. Southwestern Medical Center at Frisco

A collaboration between U. T. Southwestern and Texas Health Resources



Outpatient Cancer Care Building/ Peter O'Donnell, Jr. Biomedical Research Building



Opening in late 2022, the new two-tower building is dedicated to the outpatient care efforts of the Harold C. Simmons Comprehensive Cancer Center and the growing research programs of the Peter O'Donnell Jr. Brain Institute.



U. T. Southwestern Medical Center at RedBird



Opening in summer 2022, U. T. Southwestern Medical Center at RedBird will offer primary care, heart, cancer, and brain care – all ranked among the nation’s top 25 programs – as well as conveniences from infusion therapy to mammograms.



Biomedical Engineering and Sciences

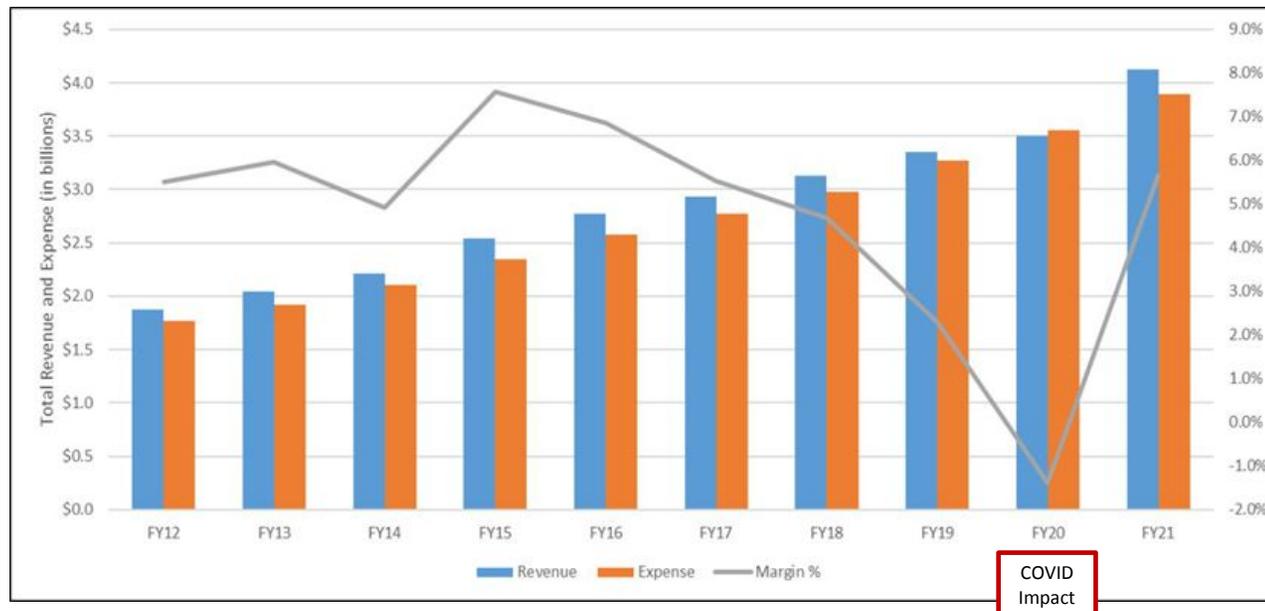


The Texas Instruments Biomedical Engineering and Sciences Building broke ground in November and will house joint biomedical engineering programs at U. T. Southwestern and U. T. Dallas.



Proven Operational Success

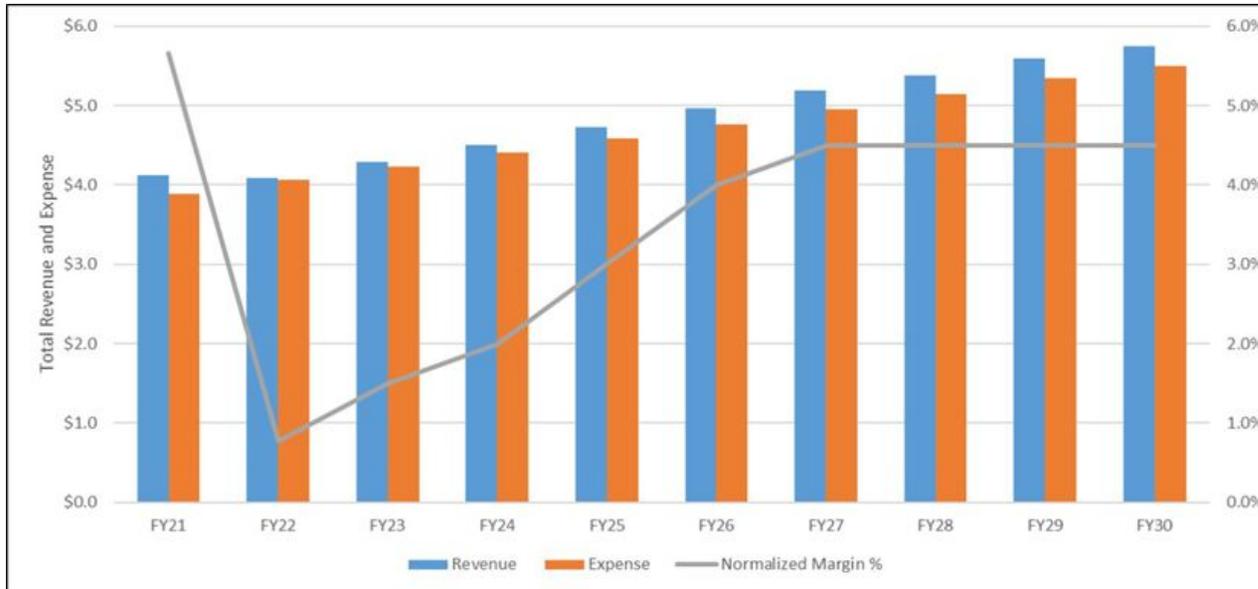
Revenue from current operations has grown from \$1.8B to \$4.1B (8.8% CAGR) over the past 10 years with an average margin of 4.5%



Sustainable Growth

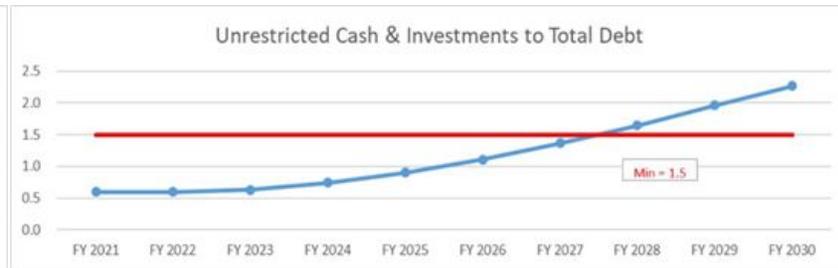
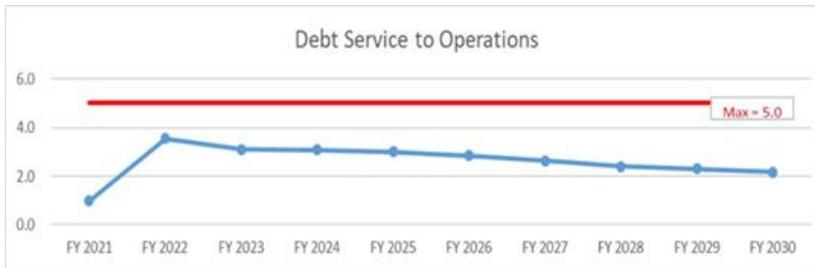
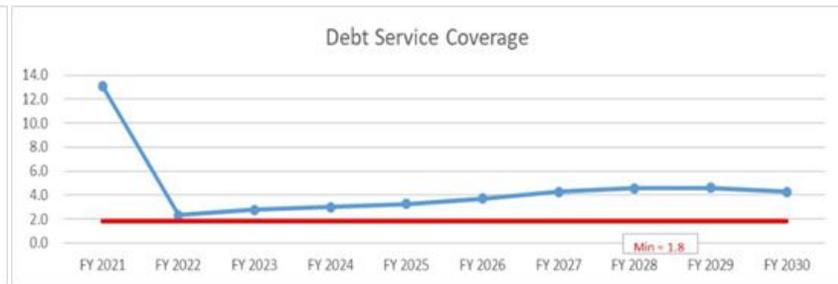
Based on Existing Operations and Currently Approved Capital Investments

Without capital investments beyond currently approved activity, revenue from current operations is expected to grow from \$4.1B to \$5.8B (3.8% CAGR) over the next 9 years with an average margin of 3.4%



Key Financial Metrics

Existing Operations and Currently Approved Capital Investments



—●— Projections
— Base required ratio

Our planned initiatives will continue to strengthen our financial metrics

Planned Major Institutional Initiatives

Included in Long Range Projection



New Pediatric Campus

Partnership with Children’s Health System of Texas

Total investment of \$2.6B (Hospital and MOB)

- o Building a world class pediatric clinical campus;
- o Developing facilities that support highly effective, innovative, efficient, safe, and comprehensive academic healthcare; and
- o Creating space that enhances the experience of patients, families, faculty, and staff.

School of Public Health

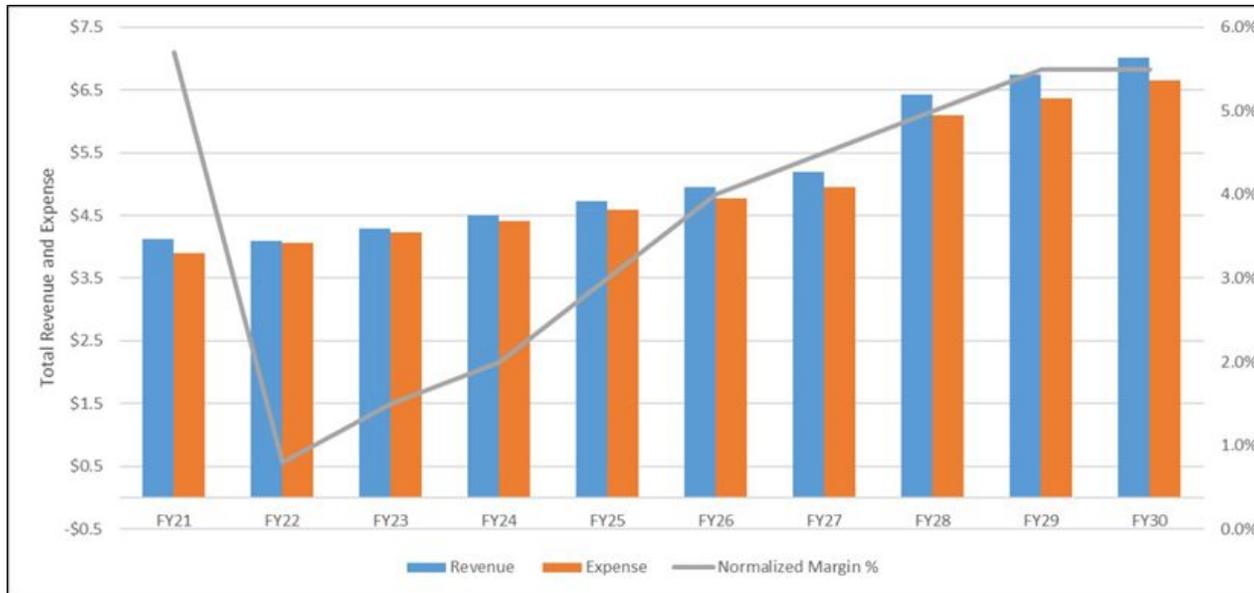
Approved by the Board of Regents in FY 2021.

Business plan under development, but initial capital expenditures (not including a new facility) are estimated to be \$15M.

Allows U. T. Southwestern to support the development of resources needed in constrained areas of patient care.

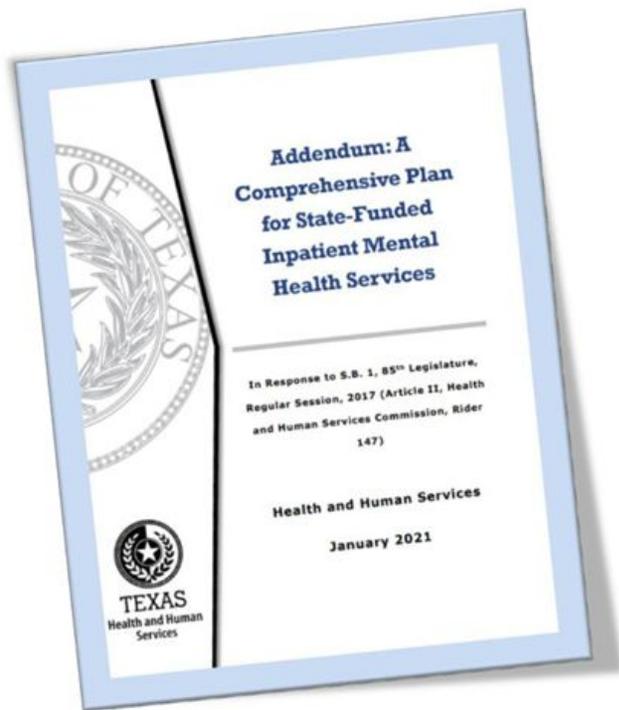
Projected Financial Results with Initiatives

With planned initiatives, revenue is expected to grow from \$4.1B to \$7.0B (6.1% CAGR) over the next nine years with an average margin of 3.8%



Other Major Institutional Initiatives

(Not yet included in Long Range Planning)



North Texas State Psychiatric Hospital in Dallas

Texas Health and Human Services Commission (HHSC) and U. T. Southwestern are developing plans for a new state psychiatric hospital in Dallas.

- HHSC will fund the construction and own the asset.
- U. T. Southwestern will manage the build of the new facility and staff and manage ongoing operations.
- There is no impact shown on our initiative projections as funding from HHSC will offset incremental capital and operating expenses. Texas Legislature approved \$44.7 million in state funding last session for design, planning, and land acquisition.
- Provides patient support for mental health in a critically underserved North Texas market.