

Meeting No. 1,079

THE MINUTES OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

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December 5, 2011

Austin, Texas

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MEETING NO. 1,079

MONDAY, DECEMBER 5, 2011.--The members of the Board of Regents of The University of Texas System convened this special called meeting via telephone conference call at 3:02 p.m. on Monday, December 5, 2011, in the Chairman's Office on the Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Powell
Vice Chairman Foster
Vice Chairman Hicks
Vice Chairman Dannenbaum
Regent Cranberg
Regent Gary
Regent Hall
Regent Pejovich
Regent Stillwell

Absent

Regent Rutkauskas,
Student Regent, nonvoting

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Powell called the meeting to order.

RECESS TO EXECUTIVE SESSION.--At 3:03 p.m., Chairman Powell announced a quorum present and said the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.073, and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 3:34 p.m., the Board reconvened in open session for the following actions taken on matters discussed in Executive Session.

1a. U. T. Austin: Approval of proposed negotiated gifts with potential naming features

Upon motion by Vice Chairman Hicks, seconded by Regent Stillwell, the Board authorized the Presidents of The University of Texas at Austin, The University of Texas at San Antonio, and The University of Texas M. D. Anderson Cancer Center and Vice Chancellor Safady to conclude

negotiations necessary to finalize and accept gifts to benefit those institutions with potential naming features consistent with the terms outlined in Executive Session.

The motion carried unanimously. (This motion also applied to Items 1b-1c.)

- 1b. U. T. San Antonio: Approval of proposed negotiated gifts with potential naming features

See Item 1a for action on this item.

- 1c. U. T. M. D. Anderson Cancer Center: Approval of proposed negotiated gifts with potential naming features

See Item 1a for action on this item.

- 2a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

- 2b. U. T. Health Science Center - Houston: Authority to settle disputed claim to enforce a pledge of Linda K. Finger, deceased

Vice Chairman Dannenbaum moved that the Board delegate to Interim President Colasurdo the authority to settle claims against the Estate of Linda K. Finger on behalf of The University of Texas Health Science Center at Houston within the parameters recommended in Executive Session following consultation and approval by Chancellor Cigarroa, Executive Vice Chancellor Shine, Vice Chancellor Safady, and Vice Chancellor and General Counsel Burgdorf.

Regent Stillwell seconded the motion, which carried unanimously.

- 2c. U. T. Medical Branch - Galveston: Discussion regarding legal issues related to the Second Amended and Restated Interim Agreement with the Texas Department of Criminal Justice for correctional health care services for FY 2012

No action was taken on this item. See Item C.2 on the next page for action taken on a related item considered in Open Session.

3. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees

No action was taken on this item.

AGENDA ITEM

- C.2. U. T. Medical Branch - Galveston: Approval of Second Amended and Restated Interim Agreement with the Texas Department of Criminal Justice for correctional health care services for FY 2012

The Board approved a Second Amended and Restated Interim Agreement between The University of Texas Medical Branch at Galveston (UTMB) and the Texas Department of Criminal Justice (TDCJ) for correctional health care services for Fiscal Year 2012.

This Second Amendment constitutes a new interim agreement to be effective December 1, 2011, and continue to August 31, 2012. This Amendment calls for UTMB to continue providing correctional health care services to TDCJ and the prisoners under its control through August 31, 2012, consistent with the offender health care services plan negotiated by UTMB and TDCJ.

UTMB and TDCJ will continue to negotiate the terms for delivery of correctional health care through August 31, 2013, with a deadline for those negotiations of February 1, 2012. If agreement is not reached by that date, UTMB and TDCJ will enter into a transition agreement to transition all correctional care services to TDCJ by August 31, 2012. Prior to August 31, 2012, either party can also propose a transition or adjustment of specific services being provided, including, for example, the shift of utilization management or free-world provider contracting and payment obligations to TDCJ. At that point, further amendments to the FY12 agreement will be negotiated.

Subject to a prompt, end-of-quarter reconciliation process and a final year-end reconciliation process, UTMB will be paid in advance quarterly at agreed-upon rates that are proxies for UTMB's costs (e.g., Tax Equity and Fiscal Responsibility Act of 1982 [TEFRA] rates for hospital services). The Second Amendment also incorporates by reference the termination provisions of the prior agreement, which permit UTMB to immediately terminate the agreement if TDCJ does not pay timely.

Under the terms of the Second Amendment and to ensure that UTMB is fully paid for its services, TDCJ has requested authority from the Legislative Budget Board (LBB) to spend-forward up to \$45 million of its state appropriations from correctional health care for FY13 in FY12. UTMB is authorized to terminate the agreement and move to a transition mode if this approval is not received by December 31, 2011. The Second Amendment also acknowledges that the \$6.2 million in unused supplemental appropriations from the 2010-2011 biennium can be applied to UTMB's FY12 costs.

The Second Amendment was made conditional on approval of The University of Texas System Board of Regents and the Texas Board of Criminal Justice.

On October 31, 2011, the Board of Regents had approved the following actions:

- to negotiate and enter into an Amended and Restated Interim Agreement, extending for a single 30-day period the Interim Agreement negotiated with TDCJ on September 1, 2011, for the delivery of correctional health care services until December 1, 2011; and
- to negotiate, in the event a new correctional health care services contract for the period through December 31, 2012, is not successfully accomplished prior to December 1, 2011, a transition plan and agreement to limit or terminate the role of UTMB in provision of correctional health care services not later than December 31, 2012.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 3:42 p.m.

/s/ Carol A. Felkel
Secretary to the Board of Regents

December 12, 2011