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Committee Meeting: 11/14/2012

Board Meeting: 11/15/2012
Tyler, Texas

Robert L. Stillwell, Chairman
James D. Dannenbaum, Vice Chairman
Paul L. Foster
Printice L. Gary
Wallace L. Hall, Jr.

	Committee Meeting	Board Meeting	Page
Convene	2:30 p.m. Chairman Stillwell		
1. U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration	2:30 p.m. Action	Action	100
2. U. T. Health Science Center - Houston: Report on community outreach programs	2:31 p.m. Report/Discussion President Colasurdo	Not on Agenda	101
3. U. T. Health Science Center - Tyler: Report on community service through various outreach programs	2:40 p.m. Report/Discussion President Calhoun	Not on Agenda	113
4. U. T. System: Discussion and appropriate action regarding a) adoption of the conditions described in the Health and Human Services Commission Certification of Governmental Entity Participation for hospital affiliates, and b) authorization of affiliation agreements between the U. T. System health institutions and various private hospitals related to the 1115 Medicaid Waiver Program	2:50 p.m. Action Dr. Shine	Action	124
5. U. T. M. D. Anderson Cancer Center: Approval of concept for a new, strategic integrated plan to enhance philanthropy, raise national awareness, and increase patient volumes over the next five years and beyond	3:10 p.m. Action President DePinho Dr. Safady	Action	133
6. U. T. System: Quarterly report on health matters of interest to the U. T. System, including changes in the health care delivery environment	3:25 p.m. Report/Discussion Dr. Shine	Not on Agenda	149
6a. ADDITIONAL ITEM: U. T. Health Science Center - Tyler: Approval of new "doing business as" (dba) name – UHealth-Northeast, and the opportunity to develop a new logo and brand identity	3:40 p.m. Action President Calhoun Dr. Safady	Action	149
7. U. T. System Board of Regents: Health Institutions - Approval to submit list of items for consideration by the Texas Legislature for Exceptional Item funding	3:50 p.m. Action Dr. Shine	Action	150
Adjourn	4:30 p.m.		

1. **U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration**

(The proposed Consent Agenda is at the back of the book.)

2. **U. T. Health Science Center - Houston: Report on community outreach programs**

REPORT

President Colasurdo will report on U. T. Health Science Center - Houston's community outreach programs. A PowerPoint presentation is set forth on the following pages.

COMMUNITY OUTREACH PROGRAMS

Giuseppe N. Colasurdo, M.D.

President

U. T. System Board of Regents' Meeting

Health Affairs Committee

November 2012



Outreach in all missions

The students, faculty, and staff of UTHealth are committed to serving many communities through outreach programs focused on education, research, clinical care, and community service.



HealthLEADER



TORS: New Life-Saving Robotic Surgery

Throat cancer cure rates may rise to 90 percent, thanks to the partnership of robot and skilled surgeon



Outreach through multiple vehicles



Education for students and teachers

- **CATCH Program** - 8,000 schools nationwide and 50% of elementary schools in Texas
- **It's Your Game** - web-based support on dating, sexual behavior, and relationships
- **Project Grad Biology Academy** - at-risk high school students
- **Scientist for a Day** - fourth grade students
- **National Youth Leadership Forum in Medicine** - high school students
- **Teacher Workshops** - elementary school teachers



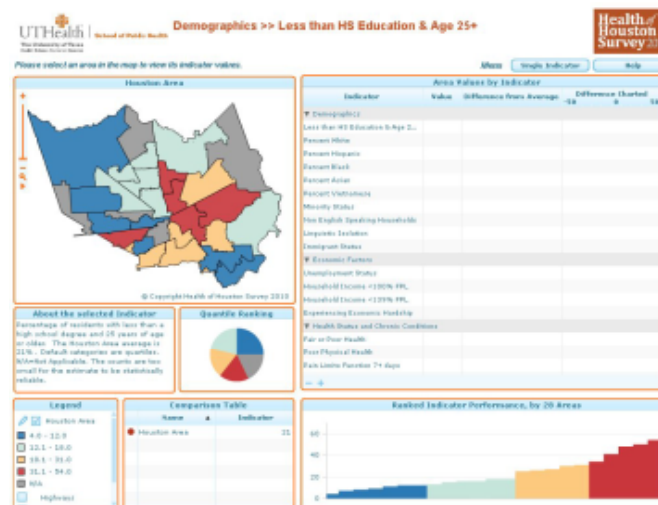
Community outreach programs

- Brownsville Farmers' Market
- Brownsville's Biggest Loser Challenge
- Harris County Long-Term Care Ombudsman Program
- Project SMART - 4th-5th grade
- Brain Awareness Week
- HEARTS - Houston Early Age Risk Testing & Screening
- WIC - Women, Infants, and Children (10 million families)



Health assessments and provider programs

- **Health of Houston Survey** - tracks emerging health issues, assesses the impact of health programs, and documents health improvements
- **UT School of Public Health Student Epidemic Intelligence Society** - assists the City of Houston in its annual Homeless Census and Needs Assessment
- **Gulf Coast Regional Extension Center** - more than 2,500 providers enrolled to date
- **Your Doctor Program** - more than 2,000 physicians from across the state enrolled to date



Clinical outreach programs

Our faculty, residents, and students provide more than \$60 million in charity care annually through multiple programs and clinics, including:

- Largest Level I Trauma Center in the nation
- Stroke Centers
- Centers for Healthy Aging
- Child Abuse Programs - CARE Clinic, CARE Team, Harris County CPS Clinic, Forensic Assessment Center Network (FACN)
- Lower Rio Grande Valley Mobile Health Clinic
- Mobile Dental Van Program



Harris County Psychiatric Center (HCPC)

- Founded in 1986
- Largest inpatient psychiatric facility outside of the county jail - 7,000 admissions in FY12
- Provides care for catastrophic mental disorders for underserved populations
- Leading academic psychiatric hospital in the country



Programs for vulnerable populations

Forensic Assessment Center Network (FACN)

- State-wide project with Children's Protective Services
- Leaders - U. T. System health institutions
- 50% reduction in proven cases of child abuse/neglect (Houston area)



Laying the foundation for lifelong learning

Early educational intervention can have substantive short- and long-term effects on cognition, social-emotional development, school progress, antisocial behavior, and even crime.

Science 333, August 2011

Children's Learning Institute

- Leader in developing programs, training instructors, and offering programs in best practices for early childhood learning
- Texas School Ready! program covers 2,000 classrooms and 40,000 students

Programs for vulnerable populations (cont.)

Thomas Street Health Center

- Largest freestanding HIV clinic in the nation
- Treat the sickest patient with AIDS/HIV and provide training to other health care providers
- Leonard Tow Humanism in Medicine Award



Texas Elder Abuse and Mistreatment (TEAM) Institute

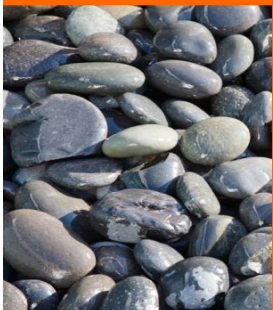
- First adult protective services medical group collaboration in the United States (1997)
- Provided care for more than 2,000 mistreated elders



3. **U. T. Health Science Center - Tyler: Report on community service through various outreach programs**

REPORT

President Calhoun will report on community service through various outreach programs at U. T. Health Science Center - Tyler. A PowerPoint presentation is set forth on the following pages.



**THE UNIVERSITY OF TEXAS
Health Science Center at Tyler**

COMMUNITY OUTREACH PROGRAMS

**KIRK A. CALHOUN, M.D.
President**

**U. T. System Board of Regents' Meeting
Health Affairs Committee
November 2012**

CHEST DISEASES ARE NOT JUST OUR HISTORY . . .



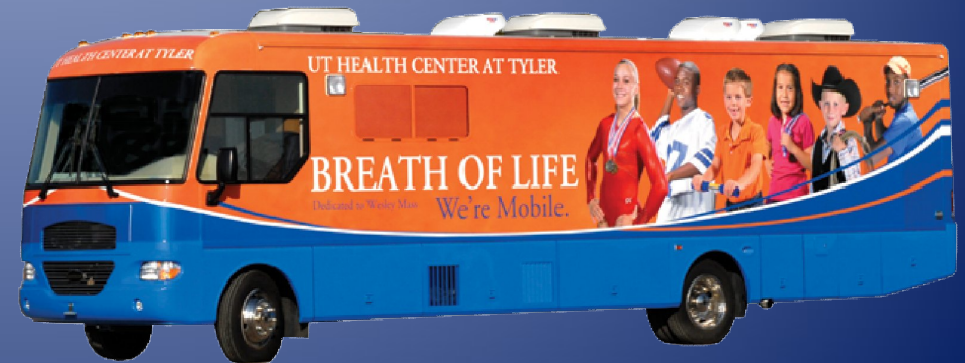
IMPACT OF ASTHMA IN TEXAS

- Asthma affects more children than any other chronic disease.
- Nationally, it is the leading cause of school absenteeism - 12.8 million missed school days.
- In Texas in 2007, an estimated 9.1 percent of children ages 0-17 had asthma.
- The prevalence of asthma among children was highest among males, African-Americans, and those 10-17 years of age.
- In Texas, total charges for all asthma hospitalizations in 2007 were over \$446 million.

Source: Texas Asthma Control Program, 2009

BREATH OF LIFE MOBILE CARE CENTER

- A fully functioning diagnostic, therapeutic, and educational asthma clinic
- Charged with identifying and treating underserved, school-aged asthmatic children at school sites in Northeast Texas
- Goal is to shift population reliance from acute intervention to management and control (prevention vs. rescue)
- Funding came from the Health Resources and Services Administration (HRSA)



TEXAS ASTHMA CAMP FOR KIDS

- The Texas Asthma Camp for Kids, conducted by The University of Texas Health Science Center at Tyler, is the oldest asthma camp in the state - it began in 1985.
- Attending an asthma camp results in fewer ER visits, hospital admissions, and missed school days, as well as reduced health care costs.

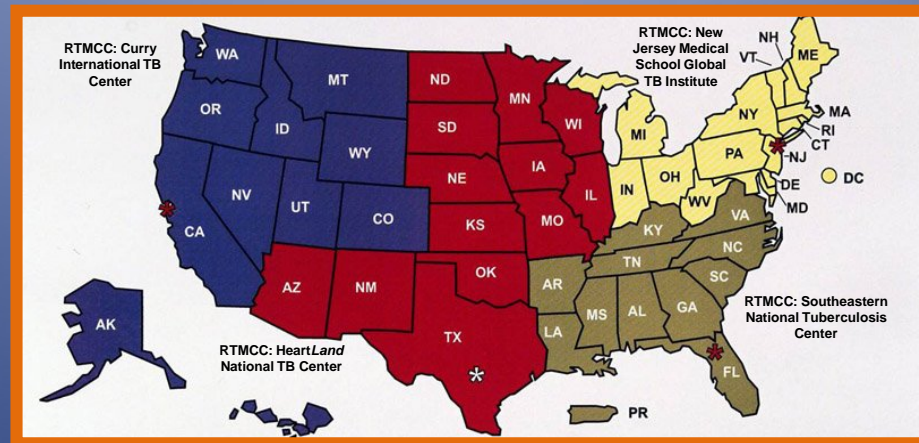
KYTX
CBS 19

Video



HEARTLAND NATIONAL TB CENTER

- Serves as one of four Regional Training and Medical Consultation Centers (RTMCC) funded by the Centers for Disease Control
- Provide expertise in the treatment / prevention of TB
- Develop and deliver cutting-edge training, expert medical consultation, technical assistance, and innovative educational and consultative products



PUBLIC HEALTH LAB OF EAST TEXAS (PHLET)

- Funded by the Centers for Disease Control and Prevention, PHLET is focused on public health preparedness, and is the only public health laboratory located on the campus of an academic institution.
- PHLET provides testing and training for clinical laboratories and law enforcement agencies serving 34 counties, as well as testing on bioterrorism agents including bacteria, viruses, and toxins.
- During the 2009 H1N1 pandemic, PHLET provided rapid response testing. Surveillance is ongoing for new strains.



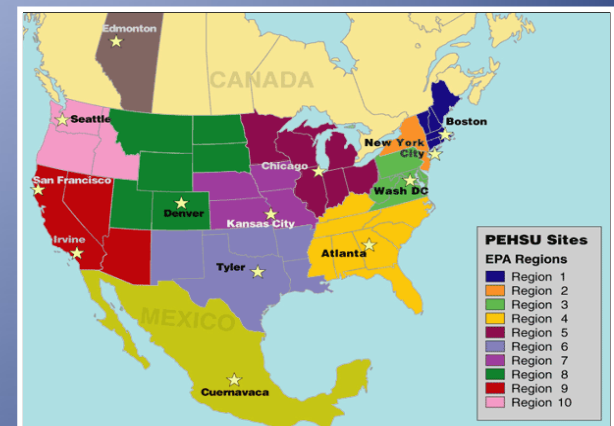
**HAZARDOUS MATERIALS
DECONTAMINATION**



**PANDEMIC FLU TRAINING
IN TEMPLE, TEXAS**

PEDIATRIC ENVIRONMENTAL HEALTH

- The Southwest Center for Pediatric Environmental Health (SWCPEH) is one of 11 Pediatric Environmental Health Specialty Units.
- The SWCPEH serves the states of Texas, Arkansas, Louisiana, Oklahoma, and New Mexico.
- The mission of SWCPEH is to reduce environmental health threats to children, improve access to expertise in environmental medicine, and strengthen public health prevention capacity.



UNIVERSITY HEALTH CLINIC AT U. T. TYLER

- More exam rooms to accommodate patient growth
- Highly advanced digital mammography
- Expansion of health services to U. T. Tyler students, faculty, and staff



*Over the last three years,
patient volume has increased by 18 percent.*

4. **U. T. System: Discussion and appropriate action regarding a) adoption of the conditions described in the Health and Human Services Commission Certification of Governmental Entity Participation for hospital affiliates, and b) authorization of affiliation agreements between the U. T. System health institutions and various private hospitals related to the 1115 Medicaid Waiver Program**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and the Vice Chancellor and General Counsel that the U. T. System Board of Regents

- a. adopt the conditions described in the Health and Human Services Commission (HHSC) Certification of Governmental Entity Participation for hospital affiliates, which must be approved by the governing board of the governmental entity in a public meeting; and
- b. authorize the Executive Vice Chancellor for Health Affairs, with approval by the Office of the General Counsel as required by the Regents' *Rules and Regulations*, Rule 10501 (Delegation to Act on Behalf of the Board), to execute affiliation agreements between the U. T. System health institutions and various private hospitals related to the 1115 Medicaid Waiver Program.

BACKGROUND INFORMATION

In response to legislative direction to control the cost of the Medicaid program while preserving supplemental federal funding for hospitals and qualified physician practice groups, the Texas Health and Human Services Commission (HHSC) proposed to the Centers for Medicare and Medicaid Services (CMS) that Texas be granted a waiver of certain provisions of the Social Security Act, thus allowing more flexibility in the design of its Medicaid program.

In December 2011, CMS approved the Section 1115 Demonstration, titled "Texas Healthcare Transformation and Quality Improvement Program," for the five-year period ending September 30, 2016. Commonly called the "waiver," the Section 1115 Demonstration has two aims:

- To expand the existing Medicaid managed care programs statewide; and
- To use the savings from that expansion and the discontinuation of the Upper Payment Limit (UPL) supplemental funding program to finance two new funding pools:
 - The Uncompensated Care (UC) pool; and
 - The Delivery System Reform Incentive Payment (DSRIP) pool.

By way of background, UPL was designed to address the difference between Medicaid fee-for-service payments and typically higher Medicare payments for the same services. The decision to expand capitated Medicaid managed care eliminated the UPL program, which applies only to fee-for-service care. To receive supplemental funding from the new UC pool, hospitals and

qualified physician practice groups (including U. T. health institutions) will file cost reports detailing shortfalls between cost and revenue received on services provided to Medicaid and uninsured patients.

To receive funding from the DSRIP pool, eligible providers must engage in select, targeted projects within their local Regional Healthcare Partnership (RHP). Each of the 20 RHPs, comprised of between two and 47 counties, has a designated anchor, a public entity that serves as the administrative coordinator. Each RHP will submit a plan of DSRIP projects designed to address community needs and improve patient care for low-income populations. The RHP plans, due December 31, 2012, must be consistent with the three-part aim:

- To improve the experience of care for individuals with regard to access and outcomes;
- To improve health for the population; and
- To lower costs through improvements without compromising quality.

Each DSRIP project will have specific goals, milestones, metrics, and incentive payment valuations. After final approval of the RHP plans by HHSC and CMS, the performing provider responsible for each DSRIP project will be eligible to receive incentive payments upon the documented achievement of the milestones and metrics.

Health care providers must participate in the local RHP to be eligible to receive UC payments or DSRIP incentive payments. Since Medicaid is jointly funded by the federal government and the state, payments to providers have a state share and a federal match. The Texas Legislature has required that the state share for Medicaid supplemental payments must be funded by intergovernmental transfer (IGT) from local public entities such as public hospitals, hospital districts, health departments, county governments, or local mental health authorities. IGTs may also be funded by state academic institutions. Nonpublic entities, such as private hospitals, may not fund IGTs. Nonetheless, since Texas has very few public hospitals, private safety net hospitals play a vital role in the delivery system and must be actively engaged in the RHP Plans' DSRIP projects as performing providers. Public entities and private providers may enter into indigent care affiliation agreements to work collaboratively to improve access to health care for indigent persons residing in the community through participation in the Medicaid program. The affiliation agreement does not obligate the public entity to provide specific amounts of IGT.

At this time, U. T. System institutions contemplate affiliation agreements including, but not limited to:

- U. T. Southwestern Medical Center and Children's Medical Center of Dallas
- U. T. Medical Branch - Galveston and Baptist Hospitals of Southeast Texas
- U. T. Medical Branch - Galveston and CHRISTUS Hospital (Beaumont)
- U. T. Health Science Center - Houston and Memorial Hermann Healthcare System
- U. T. Health Science Center - San Antonio and Doctors Hospital at Renaissance (Edinburg)
- U. T. Health Science Center - San Antonio and Valley Baptist Hospital
- U. T. Health Science Center - Tyler and Trinity Mother Frances Hospitals and Clinics
- U. T. Health Science Center - Tyler and CHRISTUS St. Michael Health System
- U. T. Health Science Center - Tyler and Good Shepherd Medical Center

HHSC requires a Certification of Governmental Entity Participation from each public entity involved in one or more affiliation agreements. The certification requires public adoption by the Board of Regents, as the governing body for the health institutions. In summary, the certification affirms that the governmental entity will abide by all rules related to affiliation agreements, IGTs, and Medicaid payments. A copy of the HHSC certification template is set forth on the following pages.

U. T. System institutions may elect to collaborate with various providers on DSRIP projects, and some of these collaborations may take the form of a contract. Depending on the operational, managerial, and financial circumstances of each DSRIP project, U. T. institutions may elect to be either the performing provider or the subcontractor. As project plans and contracts are finalized, U. T. health institutions will seek contract approval from the Board of Regents as required by Regents' *Rules and Regulations*.



HEALTH AND HUMAN SERVICES COMMISSION

TEXAS HEALTHCARE TRANSFORMATION AND QUALITY IMPROVEMENT PROGRAM
1115 DEMONSTRATION WAIVER PROGRAM

**CERTIFICATION OF GOVERNMENTAL ENTITY PARTICIPATION
FOR HOSPITAL AFFILIATES
Version 2012-1 (09/05/2012)**

DOCUMENT HISTORY LOG

STATUS¹	DOCUMENT REVISION²	EFFECTIVE DATE	DESCRIPTION³
Baseline	n/a		Initial version of the Certification of Governmental Entity Participation
Revision	1.1	09/05/2012	Added cover page.
Revision	1.2	09/05/2012	Added Document History Log.
Revision	1.3	09/05/2012	Various formatting changes.
Revision	1.4	09/05/2012	Added version number (Version 2012-1) and date of issuance to cover page and page footer.
Revision	1.5	09/05/2012	Deleted "Texas" from "Health and Human Services Commission" to reflect agency's statutory name.
Revision	1.6	09/05/2012	Revised paragraph 4.g. to replace "and" at the end of subparagraph ii following the semicolon with "or."
<p>¹ "Baseline" indicates initial document issuances, "Revision" indicates changes to the Baseline version, and "Cancellation" indicates withdrawn versions.</p> <p>² Numbering conventions: Revisions are numbered according to the version of the document and the sequential revision—e.g., "1.2" refers to the first version of the document and the second revision.</p> <p>³ Brief description of the changes to the document made in the revision.</p>			



HEALTH AND HUMAN SERVICES COMMISSION

**TEXAS HEALTHCARE TRANSFORMATION AND QUALITY IMPROVEMENT
PROGRAM 1115 DEMONSTRATION WAIVER PROGRAM**

***CERTIFICATION OF GOVERNMENTAL ENTITY PARTICIPATION FOR
HOSPITAL AFFILIATES***

On behalf of _____, a _____
organized under the laws of the State of Texas (hereinafter referred to as “the
Governmental Entity”), I, _____, affirm and certify the
following:

1. Legal Authorization.

- a. The Governmental Entity is legally authorized to levy and collect ad valorem taxes, generate public revenue, or receive and expend appropriated public funds (“Public Funds”);
- b. The Governmental Entity is legally authorized to enter into and has entered into Affiliation Agreements with one or more private hospitals (“the Affiliated Hospitals”) for, among other purposes, providing indigent care in the community served by the Governmental Entity.

2. Public Adoption and Access.

- a. The governing body of the Governmental Entity adopted the conditions described in this certification by recorded vote taken in a public meeting held in compliance with the Texas Open Meetings Act, Chapter 551, Government Code;
- b. Copies of all Affiliation Agreements will be made available as provided under the Texas Public Information Act, Chapter 552, Government Code, and will be provided to HHSC on request.

3. *Funding of Intergovernmental Transfers and Supplemental Payments.*

- a. The Governmental Entity has or has agreed to transfer Public Funds to the Health and Human Services Commission (“HHSC”) via intergovernmental transfer (“IGT”) for use as the non-federal share of supplemental waiver payments (the “Supplemental Payments”) to the Affiliated Hospitals in accordance with 1 Tex. Admin. Code §355.8201, Waiver Payments to Hospitals (the “Waiver Program”);
- b. All transfers of Public Funds by the Governmental Entity to HHSC to support the Supplemental Payments to the Affiliated Hospitals under the Waiver Program comply with:
 - i. The applicable regulations that govern provider-related donations codified at section 1903(w) of the Social Security Act (42 U.S.C. §1396b(w)), and Title 42, Code of Federal Regulations, Part 433, subpart B, sections 433.52 and 433.54;
 - ii. HHSC administrative rules codified at 1 Tex. Admin Code §355.8201, Waiver Payments to Hospitals.

4. *Assurances and Representations.*

- a. The Governmental Entity does not and will not at any time receive any part of the supplemental payments that are made by HHSC to the Affiliated Hospitals under the Waiver Program;
- b. The Governmental Entity has not entered into a contingent fee arrangement related to the Governmental Entity’s participation in the Waiver Program;
- c. The Governmental Entity has not entered and will not enter into any agreement to condition either the amount of the Public Funds transferred by the Governmental Entity or the amount of Supplemental Payments an Affiliated Hospital receives on the amount of indigent care the Affiliated Hospital has provided or will provide;
- d. The Governmental Entity has not entered and will not enter into any agreement to condition the amount of any Affiliated Hospital’s indigent care obligation on either the amount of Public Funds transferred by the Governmental Entity to HHSC or the amount of Supplemental Payment an Affiliated Hospital may be eligible to receive;
- e. With regard to any escrow, trust or other financial mechanism (an “Account”) utilized in connection with an indigent care Affiliation Agreement or an IGT issued for a payment period that occurs after the effective date of this Certification, the following representations are true and correct:

- i. The amount of any Account is not conditioned or contingent on the amount of indigent care services that an Affiliated Hospital provided or will provide;
 - ii. The Governmental Entity has disclosed the existence of any Account to HHSC; and
 - iii. Any such Account will not be used to effect a quid pro quo for the provision of indigent care services by or on behalf of the Affiliated Hospitals;
- f. The Governmental Entity has not received and will not receive refunds of payments the Governmental Entity made or makes to an Affiliated Hospital for any purpose in consideration for an IGT of Public Funds by the Governmental Entity to HHSC to support the Supplemental Payments;
- g. The Governmental Entity has not received and will not receive any cash or in-kind transfers from an Affiliated Hospital or any other entity acting on behalf of an Affiliated Hospital or group of Affiliated Hospitals other than transfers and transactions that:
 - i. Following the date this Certification was executed, are unrelated to the administration of the Waiver Program or the delivery of indigent care services under an Affiliation Agreement;
 - ii. Constitute fair market value for goods or services rendered or provided by the Governmental Entity to an Affiliated Hospital; or
 - iii. Represent independent, bona fide transactions negotiated at arms-length and in the ordinary course of business between the Affiliated Hospital and the Governmental Entity;
- h. The Governmental Entity has not:
 - i. Following the date this Certification was executed, assigned or agreed to assign a contractual or statutory obligation of the Governmental Entity to an Affiliated Hospital or any other entity acting on behalf of an Affiliated Hospital or group of Affiliated Hospitals; or
 - ii. Authorized or consented to the assumption of a statutory or contractual obligation of the Governmental Entity by an Affiliated Hospital or any other entity acting on behalf of an Affiliated Hospital or group of Affiliated Hospitals.

5. Evaluation.

- a. Consistent with its constitutional, statutory, and fiduciary obligations, the Governmental Entity may evaluate a private hospital's historical experience in providing indigent care in the community or performance under an Affiliation Agreement including the impact and amount of indigent care provided by the hospital, for the following purposes:
 - i. To determine whether the Governmental Entity will enter into an Affiliation Agreement with a private hospital;
 - ii. To determine whether and to what degree the Governmental Entity will supply an IGT, provided such decision does not include consideration of matters prohibited under paragraph 4 of this Certification;
 - iii. To determine whether an Affiliated Hospital's participation benefited the community and whether its continued participation in the indigent care program is likely to continue to benefit the community; or
 - iv. To provide accountability to local taxpayers;
- b. The Governmental Entity's evaluation under this paragraph 5 may:
 - i. Be documented in a manner sufficient to confirm achievement of the Governmental Entity's mission and provide an appropriate and constitutional basis on which to transfer the Public Funds to HHSC; and
 - ii. Not include consideration of matters prohibited under paragraph 4 of this Certification ;

On behalf of the Governmental Entity, I hereby certify that I have read and understood the above statements; that the statements are true, correct, and complete; and that I am authorized to bind the Governmental Entity and to certify to the above.

Signature

Date

Name and Title



5. **U. T. M. D. Anderson Cancer Center: Approval of concept for a new, strategic integrated plan to enhance philanthropy, raise national awareness, and increase patient volumes over the next five years and beyond**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for External Relations, and President DePinho that the U. T. System Board of Regents approve the concept for a new, strategic integrated plan to enhance philanthropy, raise national awareness, and increase patient volumes at U. T. M. D. Anderson Cancer Center over the next five years and beyond.

President DePinho will present the PowerPoint set forth on Pages 136 - 148.

BACKGROUND INFORMATION

The U. T. M. D. Anderson Cancer Center is the nation's foremost cancer center, though only approximately seven percent of people surveyed on a national scale are aware of its standing. An innovative, integrated, comprehensive plan will give M. D. Anderson the opportunity to accelerate its mission to eliminate cancer by raising substantial funds for cancer research and patient care programs, to significantly increase national awareness, and strategically drive patient volumes and clinical revenues. The plan involves marshaling the programmatic resources of Development, Corporate Alliances, Marketing, and Communications to reinforce the institution's bold and assertive plans to defeat cancer. It also will integrate with major institutional projects such as the Moon Shots Program.

M. D. Anderson lags behind the rest of the industry in the national cancer conversation, and in particular, behind its competition, which is already pursuing aggressive brand and cause initiatives. The institution has not engaged in a focused and coordinated branding or corporate alliance effort to build national awareness, increase donations, and attract new patients. The proposed consolidated and integrated effort will grow infrastructure necessary to support U. T. System's and the institution's national long-term strategic goals.

Finally, the plan is consistent with the Framework for Advancing Excellence throughout The University of Texas System. To fulfill its mission, M. D. Anderson seeks support for this broad and aggressive five-year ramp-up plan to build momentum for the next 10 years and beyond. The Board's authorization will allow M. D. Anderson to augment and diversify traditional programs with fresh and innovative ideas to discover new revenue streams. These incremental efforts will support the larger institutional strategic goals of: 1) identifying new revenue streams to support research, 2) enhancing philanthropic success, 3) increasing productivity and efficiency, and 4) recruiting and retaining outstanding leadership among faculty, administrators, and staff.

Over the next five years, this plan will require contract requests for Board consideration, perhaps exceeding \$280 million above and beyond current contracts to support communications, marketing, and development efforts. These contracts will be reviewed by the U. T. System Offices of External Relations, Health Affairs, and General Counsel.



INTEGRATED STRATEGY FOR INCREASING NATIONAL AWARENESS, PHILANTHROPY AND CLINICAL REVENUES FY13-17

Overview

This proposal is a short-term, five-year ramp up plan to build long-term momentum for the next 10 years and beyond. This plan includes strategic goals and strategies/tactics for meeting those goals. It will highlight the costs and tangible benefits of fundraising, corporate relations and advertising, as well as the intangible benefits associated with building awareness and relationships.

Strategic Goals (5-year plan)

1. Fundraising

MD Anderson proposes to augment traditional and proven fundraising practices with new and enhanced programs to extend its reach to a much broader audience. It will integrate cause marketing, e-philanthropy, expanded direct mail, a principal gifts program focused on concentrated initiatives such as the Moon Shots Program, and targeted special events into its current efforts. Among other efforts:

- New gifts should move MD Anderson from a current three-year average of \$193 MM in annual philanthropy to \$257 MM in five years, representing a 32 percent increase in **new** gifts.
- Cause marketing is projected to realize up to \$65 million over the next five years, with a steady growth in revenue occurring over the long term, as traction grows annually. Moreover, cause marketing will allow MD Anderson to create a platform that positions the institution as the national leader in cancer care, creating greater awareness of and preference for MD Anderson by patients and donors.

2. Brand awareness

Raise national brand awareness from 7% to 12% by increasing national advertising.

- This increase will support securing additional philanthropic giving, launching a more consistent, national dialogue with the public, encouraging patients and attracting physicians and scientists who can help fulfill our mission.

3. Patient volume

Increase national patient volumes annually over the next five years, yielding a margin increase up to \$453 million.

- This volume increase is gradual over the first year with a steady 2.5% annual growth thereafter.
- This percentage increase will move the current average new patient accrual rate from 7% to 9.5% over the next five years within targeted areas needing additional volume, positively impacting clinical margin.
- This percentage increase is a conservative average taken over a five-year period and across multiple cancer disease sites.
- Clinical revenues are crucial and will become even more critical in the coming years as the institution addresses challenges in health care, including an aging population. This additional margin and increased volume will be vital for UT MD Anderson to reach its projected financial goals.

These goals complement UT MD Anderson's strategic goals, as well as the Framework for Advancing Excellence, specifically:

Research: Identify new revenue streams, including philanthropy, to support research missions; Enhance Philanthropic Success; Productivity and Efficiency; Faculty/Administrators/Staff Excellence: recruit and retain outstanding leadership

Innovative Strategies/Tactics to Meet Strategic Goals

1. Engage corporations through a cycle of giving.

Corporate alliances

- Attracting national and global companies that complement or support UT MD Anderson's mission will drive giving through additional corporate and private foundations, encourage global industry leaders to become involved with the institution and attract new audiences to support the institution's mission.
- Active engagement with corporations will introduce UT MD Anderson to new audiences and consumers, raising national/global awareness and increasing patient volumes.

November 2, 2012

2. Drive national public engagement and giving.

Cause platform

- UT MD Anderson will create and launch a UT MD Anderson Cancer Center-branded national cause initiative to engage consumers and employees. UT MD Anderson will oversee all messaging and campaign specifics and ensure brand integration. In addition, the institution will drive awareness of the campaign through public relations, advertising, marketing, events, and digital and social media to maximize employee and consumer involvement.

e-philanthropy

- Electronic fundraising and social media outreach programs are cost-effective approaches to building and engaging new followers, acquiring new donors and creating loyalty among existing donors. Precise measurement of these tools will allow UT MD Anderson to understand and engage with consumers, donors and patients optimally.

Direct engagement

- UT MD Anderson will 1) engage in new events that capitalize on successful existing events and expand their reach and possibility and 2) launch a UT MD Anderson-branded regional or national event that focuses on peer-to-peer fundraising and sponsorship. These events will align with the national call-to-action campaign, further propelling UT MD Anderson's brand. Increasing the institution's geographic reach with direct mail and integrating with the online giving program will generate a significant increase in donors.

3. Differentiate UT MD Anderson from national competition.

Targeted, integrated approach

- UT MD Anderson must claim its role as the nation's leader in cancer care. The institution must reinforce its reputation, brand and programs by having a consistent national presence. Highly focused national advertising, sponsorships and public relations outreach will allow key audiences to understand UT MD Anderson's national leadership role in cancer research and patient care and drive results that will ensure that role is maintained.

Projected Investment

MD Anderson currently spends approximately \$23 million per year with multiple agencies and vendor partners, working on behalf of numerous internal organizations. Through a more concentrated and integrated approach, MD Anderson will become more strategic and enjoy greater economies of scale. This new, integrated effort ranges from an investment of \$29 million in year one to \$72 million in year five for a total additional investment of \$280 million over five years.

- These numbers do not include personnel costs or existing contract numbers previously approved.

Return on Investment and Measurement

Tangible Benefits and Return

The anticipated revenue from these additional activities ranges from \$26 million in year one to \$245 million in year five for total additional revenue of \$657 million over the five-year timeframe.

- Significant return will be realized in the second year. The first year's focus will be building infrastructure, establishing relationships and developing plans, tools and deliverables.
- Success will be defined not only by additional revenue, but increased national awareness, engagement and patient volume growth.

Intangible Benefits and Return

This plan will help achieve and advance our strategic goals and will also deliver on intangible benefits vital to UT MD Anderson's future success. These intangible benefits will take time and effort to build and maintain. Increasing national brand awareness through this plan will create a *relationship* between the general public and UT MD Anderson that will: impact overall positive response rates in outreach and donor acquisition, promote enhanced interest in the UT MD Anderson mission and programs, broaden national institutional appeal and stature positively impacting patient acquisition and faculty recruitment, and boost UT MD Anderson employee morale and job satisfaction.

Strategy to Enhance Philanthropy, Raise National Awareness, and Increase Patient Volumes

THE UNIVERSITY OF TEXAS
MDAnderson
Cancer Center

Making Cancer History®

U. T. System Board of Regents' Meeting
Health Affairs Committee
November 2012

Ronald DePinho, M.D., President

Cancer is a global problem.
Prevalence will increase as population grows and ages.
Early detection and new therapies yield more survivors.

More than 200 people will die from cancer during this presentation.



We have bold plans
to conquer cancer.

How do we help make the science happen?

Marketing, Development, and Communications have created an innovative five-year plan.

- More philanthropic funds
- Increased clinical revenues
- Greater awareness and preference

Plan's goals:

- Secure \$656 million in additional funds
- Raise unaided national awareness from 7% to 12%
- Increase patient volume by 2.5% annually

How are we going to do it?

- National call-to-action cause marketing campaign
- E-philanthropy program
- Increased fundraising events
- Principal gifts program focused on Moon Shots

How are we going to do it? (cont.)

- National advertising
- Expanded direct mail program
- Enhanced public relations outreach

Competition:

- St. Jude Children's Research Hospital invests \$300 million annually to earn \$800 million
- Aided national awareness:
 - M. D. Anderson: 22% (7 % unaided)
 - Mayo Clinic: 92%
 - Johns Hopkins: 91%
 - Cancer Treatment Centers of America: 69%
- Annual advertising spend: \$35 – \$42 million

Plan's key points:

- We are the first academic medical center to integrate its development, corporate relations, marketing and communications' goals, and activities to this degree.
- An M. D. Anderson call-to-action campaign will create a national movement.
- Corporate partners will enable M. D. Anderson to engage with millions of consumers and potential donors in markets not reached before.
- Those partners will leverage their larger corporate marketing budgets to extend M. D. Anderson's reach.
- A robust online fundraising (e-philanthropy) plan will create awareness and raise funds from a new, expansive audience.

Plan fits A Framework for Advancing Excellence throughout The University of Texas System

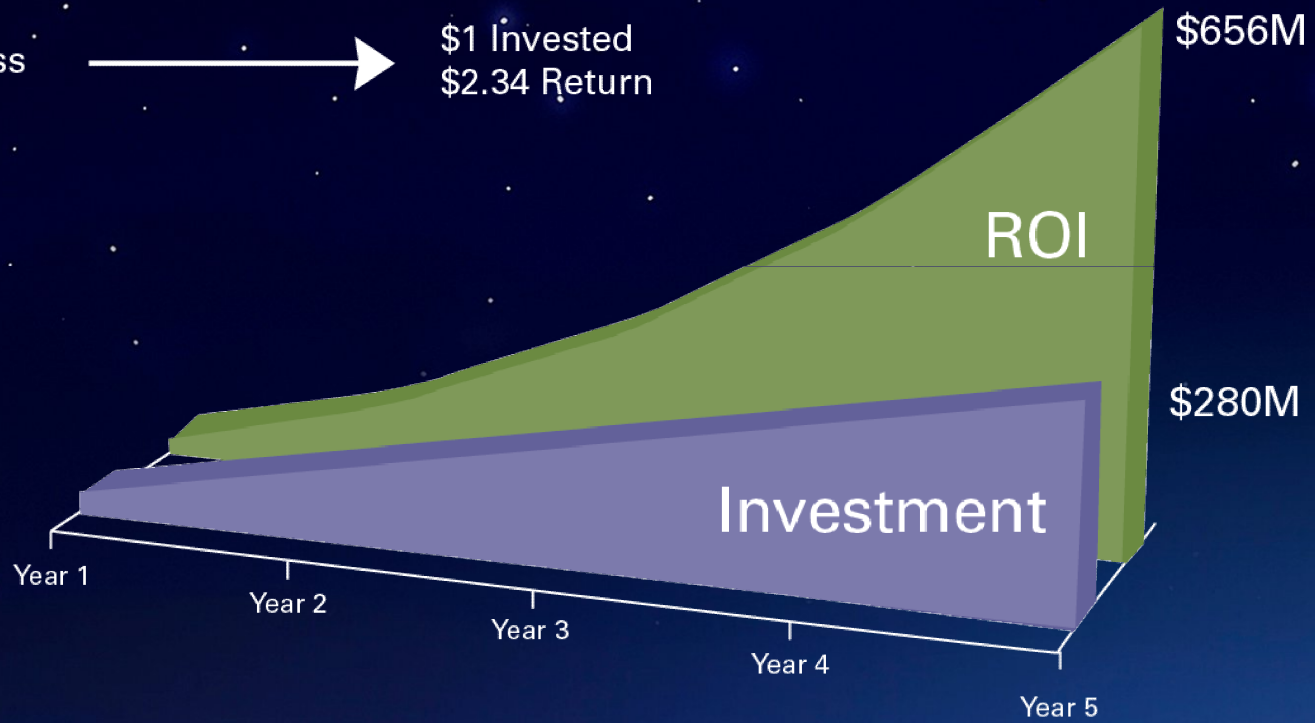
- Identify new revenue streams
- Enhance philanthropic success
- Increase productivity and efficiency
- Support faculty/administrators/staff excellence

Integrated 5-year plan ROI

Fundraising
National awareness
Patient volume



\$1 Invested
\$2.34 Return



THE UNIVERSITY OF TEXAS
MD Anderson
~~Cancer Center~~

Making Cancer History®

6. **U. T. System: Quarterly report on health matters of interest to the U. T. System, including changes in the health care delivery environment**

REPORT

Executive Vice Chancellor Shine will report on health matters of interest to the U. T. System, including changes in the health care delivery environment.

ADDITIONAL ITEM

6a. **U. T. Health Science Center - Tyler: Approval of new "doing business as" (dba) name – UTHealth-Northeast, and the opportunity to develop a new logo and brand identity**

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 Calhoun that the U. T. System Board of Regents approve a new "doing business as" (dba) name – UTHealth-Northeast, and the opportunity to develop a new logo and brand identity for U. T. Health Science Center - Tyler.

BACKGROUND INFORMATION

U. T. Health Science Center - Tyler is engaged in an effort to increase public awareness and enhance the reputation of the institution. It is in the process of contracting with an experienced branding/marketing agency and will have discussions with internal and external stakeholders associated with the institution. Shortening the name through the use of a dba (but not changing the official name) will promote a greater recognition of the institution with all stakeholders and the general public. The word "Northeast" more accurately captures the institution's clinical services and locations in surrounding towns and communities.

U. T. Health Science Center - Tyler proposes a new identity system that would be used prominently and consistently in all forms of communication representing the University, such as publications, letterhead, signage, business cards, web, advertising, and more, in an effort to create a uniform communication standard and to enhance a better public understanding of the institution's role.

The Office of External Relations reports that needed permissions for this use have been obtained.

7. U. T. System Board of Regents: Health Institutions - Approval to submit list of items for consideration by the Texas Legislature for Exceptional Item funding

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Presidents of the U. T. System health institutions that the U. T. System Board of Regents approve the following projects for submission to the Texas Legislature for Exceptional Item funding. A summary of each Exceptional Item, written by the requesting institution, is set forth on the following pages.

U. T. Southwestern Medical Center

Institute for Translational Research (in collaboration with U. T. Dallas)

U. T. Medical Branch – Galveston

Trans-Texas Vaccine Institute

Regenerative Medicine

Combating Texas' Emerging Infections

U. T. Health Science Center – Houston

Center for Healthcare Quality and Safety

Psychiatry and Behavioral Sciences

Family Nurse Practitioner Program

U. T. Health Science Center - San Antonio, by region

Region: San Antonio

San Antonio Life Sciences Institute (SALSI)

Barshop Institute for Longevity and Aging Studies

Region: South Texas

Regional Academic Health Center (RAHC)

Regional Campus in Laredo (RCL)

U. T. M. D. Anderson Cancer Center

School of Health Professions: MRI Training Unit, Mobile Computer Cart System, New Degree Start-Up Funding

On-Site Basic Science Research Storage and Computational Capacity

U. T. Health Science Center – Tyler

Support for Degree Granting

**The University of Texas System
Exceptional Item Requests**

	Request for New (N) State Appropriation or Request for Expansion of Existing (E) State Appropriation	Name of Proposed Exceptional Item	Amounts Requested		
			FY 2014	FY 2015	Total
<u>U. T. Southwestern</u>					
	N	Institute for Translational Research (in collaboration with UT Dallas) The Institute for Translational Research would support the extension of basic biomedical discoveries from the lab and seed the earliest steps in translational research for which there are no grant or investor sources of funding, yet are essential for fostering basic discoveries - with tremendous promise for bettering patient care, lowering health care costs, and ROI to the State - into novel patient therapies.	7,500,000	7,500,000	15,000,000
			7,500,000	7,500,000	15,000,000
<u>U. T. MB Galveston</u>					
	N	Trans-Texas Vaccine Institute The proposed Trans-Texas Vaccine Institute would create a multi-agency institute to support collaborative projects that expedite the development and production of needed vaccines. The Trans-Texas Vaccine Institute would build on the success of UTMB's interdisciplinary Sealy Center for Vaccine Development and maximize the impact of expertise found throughout Texas' higher education community. Formation of the Institute will make Texas a national leader in vaccine development and production.	4,000,000	4,000,000	8,000,000
	N	Regenerative Medicine Exceptional Item funding for Regenerative Medicine would leverage a new 3-year, \$3-million-per-year Moody Foundation grant supporting a multidisciplinary project to create agents capable of reversing trauma-induced alterations in the brain to restore lost function. Such groundbreaking research will bring significant advances to the treatment of brain and spinal cord injuries.	3,000,000	3,000,000	6,000,000
	N	Combating Texas' Emerging Infections Exceptional Item funding for Combating Texas' Emerging Infections would build on the already substantial federal and state investment in the Galveston National Lab to expand UTMB's expertise in combating emerging infectious diseases and foster collaboration with other Texas institutions. Work in this area focuses on development of artificial organs and tissues that mimic human organs to facilitate testing of drugs and vaccines designed to combat dangerous infectious diseases.	4,050,000	4,500,000	8,550,000
			11,050,000	11,500,000	22,550,000

**The University of Texas System
Exceptional Item Requests**

	Request for New (N) State Appropriation or Request for Expansion of Existing (E) State Appropriation	Name of Proposed Exceptional Item	Amounts Requested		
			FY 2014	FY 2015	Total
U. T. HSC Houston					
	N	Center for Healthcare Quality and Safety \$4.752 million/year to expand current Center for Healthcare Quality and Safety to develop additional model education and patient care programs for adult and pediatric care. The Center was established to conduct research that generates new knowledge about how to improve patient safety and quality; disseminate findings to health care providers and hospital administrators in Texas and in the US; and educate caregivers on how to improve patient outcomes.	4,752,000	4,752,000	9,504,000
	N	Psychiatry and Behavioral Sciences \$2.025 million/year request to expand our current knowledge of mental health with focus on generation of new knowledge for treatment and long-term recovery through the support of clinical, evidence-based research in mental illness and the recruitment of recognized experts in the areas of mood disorders and in autism research and treatment.	2,025,000	2,025,000	4,050,000
	N	Family Nurse Practitioner Program \$2.09 million/year to expand Family Nurse Practitioner Program to increase the number of trained providers to improve access to care for a growing number of Texans who need primary care services. The program will help the state ensure providers are available to new patients resulting from various changes to health care structures in Texas.	2,090,537	2,090,537	4,181,074
			8,867,537	8,867,537	17,735,074

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

**The University of Texas System
Exceptional Item Requests**

	Request for New (N) State Appropriation or Request for Expansion of Existing (E) State Appropriation	Name of Proposed Exceptional Item	Amounts Requested		
			FY 2014	FY 2015	Total
<u>U. T. HSC San Antonio - Region: San Antonio</u>					
	E	San Antonio Life Sciences Institute (SALSI) The emergent biomedical & biotechnology industry offers a unique opportunity for UTHSCSA to develop partnerships that will help San Antonio and South Texas become major players in and major drivers of the economy. Created by the 77th Texas Legislature, SALSI enhances research funding at all partner institutions and provides new advanced degree opportunities for students. SALSI fosters collaboration and alignment where there would be none; it provides seed funding incentives for researchers and educators at different institutions working on similar problems. It has set the platform and model for collaboration throughout UT System.	2,000,000	2,000,000	4,000,000
	N	Barshop Institute for Longevity and Aging Studies The Barshop Institute was created in 1998 and is located at the UTHSCSA's Texas Research Park Campus. With an internationally recognized program, the Institute has a strong base to build upon with diminishing sponsorship prospects and an increasing interest in aging research due to the growth of an elderly population. This request seeks support to translate the successes in enhancing the period of healthy life in animals to humans, recruit biomedical and clinical faculty critical to this translational science, expand the training of physicians in geriatric medicine, and to expand the search for therapeutic drug targets to improve the quality of life.	2,000,000	2,000,000	4,000,000
<u>U. T. HSC San Antonio - Region: South Texas</u>					
	E	Regional Academic Health Center (RAHC) Senate Bill 98 from the 81st Texas Legislature authorized the evolution of the RAHC into a free-standing medical school in South Texas. This transformation will cost \$61.5 million in the initial years, of which \$20.6 million in current General Revenue will sustain current operations and \$40.9 million of new funding will be sought to expand undergraduate and graduate medical education and research; develop basic sciences and clinical curriculum for a full complement of 200 medical students and 120 residency positions; provide an interdisciplinary approach to education, research and health services; and provide programmatic and infrastructure support.	20,453,739	20,453,739	40,907,478
	E	Regional Campus in Laredo (RCL) The 76th Texas Legislature authorized the RCL to provide remote resources to meet community-defined health professional education and clinical training needs in the Laredo area. UTHSCSA will continue to request \$8.4 million in current General Revenue to sustain current operations and \$4.4 million of new funding to develop a comprehensive research program to address the major epidemics of obesity and diabetes in the South Texas Border Region; expand dental education, clinical training, and outreach services; expand the Physicians Assistant and graduate health professions programs; and establish joint degree programs with other Texas universities.	2,203,977	2,203,977	4,407,954
			26,657,716	26,657,716	53,315,432

**The University of Texas System
Exceptional Item Requests**

	Request for New (N) State Appropriation or Request for Expansion of Existing (E) State Appropriation	Name of Proposed Exceptional Item	Amounts Requested		
			FY 2014	FY 2015	Total
<u>U. T. MD Anderson</u>					
	N	School of Health Professions: MRI Training Unit, Mobile Computer Cart System, New Degree Start-Up Funding A non-energized MRI machine would be used in the School of Health Professions to provide training and enhance the quality of education for diagnostic imaging students. The unit would increase the program's efficiency, avoid disruption of MRI equipment used for patient care purposes, and allow the school to train more students and address allied health profession shortages. Funds would be used for a mobile computer cart system to support Radiation Oncology software applications. Finally, start-up funding would be provided for two new degrees: B.S. in Health Disparities, Diversity, and Advocacy, and B.S. in Diagnostic Medical Sonography.	1,220,000	1,220,000	2,440,000
	N	On-Site Basic Science Research Storage and Computational Capacity MD Anderson has experienced an 806% increase in storage for basic and translational research since 2006. The total storage for research is now three times more than all clinical and administrative storage combined. The request would assist MD Anderson in the expansion of large memory computing to handle the analytics associated with Next Gen Sequencing.	1,250,000	1,250,000	2,500,000
			2,470,000	2,470,000	4,940,000
<u>U. T. HSC Tyler</u>					
	N	Support for Degree Granting Until recently, UTHSCT was the only UT campus that did not grant its own degrees. UTHSCT has now developed its own biotechnology master's degree program and is currently seeking SACS Accreditation. This Exceptional Item Request is essential to help UTHSC grant degrees in fields that would address critical workforce needs in the Northeast Texas region. Currently, students in NE Texas who wish to pursue undergraduate or graduate degrees in health-related fields must leave the area to pursue these degrees. Then, these students do not return to NE Texas when they graduate, which has a negative impact on the health-related workforce in this region.	3,000,000	3,000,000	6,000,000
			3,000,000	3,000,000	6,000,000
TOTAL - HEALTH INSTITUTIONS			59,545,253	59,995,253	119,540,506

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