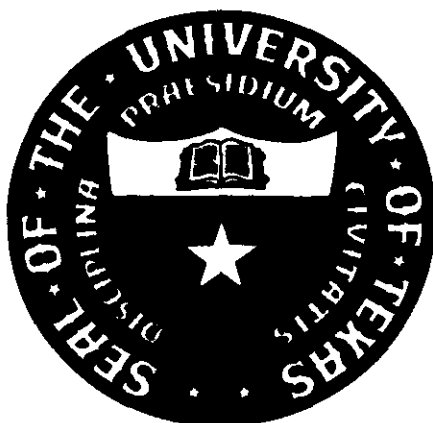


# Health Affairs Committee

THE UNIVERSITY OF TEXAS SYSTEM  
BOARD OF REGENTS



January 7, 2003



**HEALTH AFFAIRS COMMITTEE  
THE UNIVERSITY OF TEXAS SYSTEM  
BOARD OF REGENTS  
AGENDA**

January 7, 2003  
10:30 a.m. – 12:00 p.m.  
Board Room, 9<sup>th</sup> Floor, Ashbel Smith Hall  
Austin, Texas

- 10:30 a.m. 1. **Welcome and Opening Remarks** *Chairman Patrick Oxford*
- 10:35 a.m. 2. **February Board of Regents' Meeting Agenda Items:**
- a. U. T. Medical Branch - Galveston: Approval to amend the Capital Improvement Program to add the National Biocontainment Laboratory (Tab 2a) [Action Item] *Dr. John Stobo*
  - b. U. T. System: Amendments to Medical Professional Liability Benefit Plan (Tab 2b) [Action Item] *Mr. Cullen M. Godfrey*
- 11:00 a.m. 3. **Informational Items:**
- a. Post Tenure Review (Tab 3a) *Dr. James Guckian*
  - b. Texas Universities Health Plan, Inc. update (Tab 3b) *Dr. Guckian*
- 11:20 a.m. 4. **Executive Session: Consultation with Attorney Regarding Pending and/or Contemplated Litigation or Settlement Offers - Texas Government Code Section 551.071**  
U. T. Medical Branch - Galveston: Proposed Medical Liability Settlement [Action Item] *Dr. Guckian, Dr. Stobo, and Mr. Godfrey*
- 11:40 a.m. 5. **Report on Legislative Budget Board Performance Measures (Joint Meeting with Academic Affairs Committee) (Tab 5)** *Dr. Guckian and Dr. Geri Malandra*
- 12:00 p.m. 6. **Adjourn**

U. T. Medical Branch - Galveston - National Biocontainment Laboratory:  
Request for Approval to Amend the FY 2002-2007 Capital Improvement  
Program and the FY 2002-2003 Capital Budget to Include Project

RECOMMENDATION

The Chancellor concurs in the recommendation of the Acting Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Stobo that the U. T. Board of Regents amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the National Biocontainment Laboratory project at U. T. Medical Branch – Galveston at a preliminary project cost of \$180,000,000 with funding of \$135,000,000 from a federal National Institutes of Health grant and \$45,000,000 from Local Funds.

BACKGROUND INFORMATION

The project consists of design and construction of a state-of-the-art biocontainment facility complex, including BSL-4, BSL-3 and BSL-2 laboratory space as well as associated animal facilities, clinical facilities, and research support space. The facility will allow for research on any number of known infectious diseases as well as emerging and new diseases in the future.

This off-cycle project has been approved by U. T. System staff and meets the criteria for inclusion in the Capital Improvement Program.

Following consideration by the Health Affairs Committee, it will be presented for Board approval in a special called meeting on January 7, 2003.

U. T. System: Proposed Amendment of The University of Texas System Professional Medical Liability Benefit Plan, Article II (Definitions) and Approval of Premium Rates for Faculty and Resident Dentists

RECOMMENDATION

The Chancellor concurs in the recommendation of the Acting Executive Vice Chancellor for Health Affairs and the Vice Chancellor and General Counsel that The University of Texas System Professional Medical Liability Benefit Plan, Article II, Section A, be amended to provide coverage for U. T. System faculty and resident dentists effective March 1, 2003, as shown below in congressional style. Approval is also recommended that premium rates at each component, as shown in item b. below, be effective March 1, 2003.

- a. Amend The University of Texas System Professional Medical Liability Benefit Plan as follows:

...

**ARTICLE II  
DEFINITIONS**

This Plan shall be known as the Professional Medical Liability Benefit Plan ("Plan"). Unless otherwise required by the context, the following terms shall control:

A. *Medical Members* shall mean:

1. Medical doctors, oral surgeons, oral pathologists, dentists, doctors of osteopathy, and podiatrists appointed to the full-time faculty of a medical school or hospital of the System, medical doctors employed full-time in health services at and by a general academic institution of the System, residents of such disciplines participating in a patient-care program in the System, and fellows whose salaries are paid by a System health component, who are duly licensed, credentialed, and registered to practice their profession;
2. Medical doctors, oral surgeons, oral pathologists, dentists, doctors of osteopathy, and podiatrists appointed to the faculty of a medical school or hospital of the System on a part-time or volunteer basis, and who either devote their total professional service to such appointments or provide services to patients by assignment from the department chairman. For purposes of the Plan, such persons are "Medical Members" only when

providing services to patients in conjunction with supervision of medical students or resident physicians by assignment from the department chairman and shall become participants in the Plan only as provided in Article IV, Section 2.; and

.....

- b. Approve initial premium rates for faculty and resident dentists at each component as listed below:

**The University of Texas System Self Insurance Plan  
Dental Rates by Health Component**

<u>Health Component</u>	<u>Proposed Rates as of 3/1/03</u>	
	<u>Staff</u>	<u>Residents</u>
<u>Dentist - General</u>		
UT Cancer Center	\$ 695	\$ 349
UT SMC Dallas	\$ 641	\$ 322
UTMB Galveston	\$ 947	\$ 475
UT HSC Houston	\$ 854	\$ 429
UT HSC San Antonio	\$ 770	\$ 388
UT HC Tyler	\$ 854	\$ 429
<u>Dentist - Oral Surgery</u>		
UT Cancer Center	\$3,107	\$1,561
UT SMC Dallas	\$2,868	\$1,440
UTMB Galveston	\$4,234	\$2,123
UT HSC Houston	\$3,819	\$1,918
UT HSC San Antonio	\$3,445	\$1,733
UT HC Tyler	\$3,820	\$1,919

Note: Dentist Rates = Physician Class 1 Rates Effective 3/1/03 x 0.35  
Dentist-Oral Surgery Rates = Physician Class 2 Rates Effective 3/1/03

**BACKGROUND INFORMATION**

Pursuant to the authority of Chapter 59 of the Texas Education Code, the U. T. Board of Regents adopted The University of Texas System Professional Medical Liability Benefit Plan to provide coverage for certain medical staff and medical

students of the U. T. System. The Plan (formerly known as the Professional Medical Liability Self-Insurance Plan) went into effect April 1, 1977, and is funded by the payment of premiums from the practice plans of the component health institutions of the U. T. System. At the time of its inception until present, the Plan did not provide coverage to the U. T. System dentists. The current commercial insurance climate in Texas has prompted the various U. T. System components to seek more cost-effective coverage for their dentists. The proposed rates are based upon actuarial analysis by Tillinghast-Towers Perrin to determine appropriate premium rates for Plan coverage of both general dentists and those dentists who perform surgical procedures.

**U. T. SOUTHWESTERN MEDICAL CENTER AT DALLAS  
REPORT ON PERIODIC EVALUATION OF TENURED FACULTY  
FY 2002**

School	Performing Well							Needs Additional Support or Marginal							Unsatisfactory									
	Male	Female	White	Black	Hispanic	Asian	Other	Total	Male	Female	White	Black	Hispanic	Asian	Other	Total	Male	Female	White	Black	Hispanic	Asian	Other	Total
<b>Medical</b>																								
Professor	15	2	15			2		17																
Assoc. Prof	2		2					2																
Assist. Prof																								
Sub-Total	17	2	17			2		19																
<b>Allied Health</b>																								
Professor	1		1					1																
Assoc. Prof																								
Assist. Prof																								
Sub-Total	1		1					1																
<b>TOTAL</b>	<b>18</b>	<b>2</b>	<b>18</b>			<b>2</b>		<b>20</b>																

**U. T. MEDICAL BRANCH AT GALVESTON  
REPORT ON PERIODIC EVALUATION OF TENURED FACULTY  
FY 2002**

School	Performing Well							Needs Additional Support or Marginal							Unsatisfactory									
	Male	Female	White	Black	Hispanic	Asian	Other	Total	Male	Female	White	Black	Hispanic	Asian	Other	Total	Male	Female	White	Black	Hispanic	Asian	Other	Total
<b>Medical</b>																								
Professor	21	5	23	1	1	1		26																
Assoc. Prof	4		4					4									1		1					1
Assist. Prof																								
Sub-Total	25	5	27	1	1	1		30									1		1					1
<b>Allied Health</b>																								
Professor		1	1					1																
Assoc. Prof																	1					1		1
Assist. Prof																								
Sub-Total		1	1					1									1					1		1
<b>TOTAL</b>	<b>25</b>	<b>6</b>	<b>28</b>	<b>1</b>	<b>1</b>	<b>1</b>		<b>31</b>									<b>2</b>		<b>1</b>			<b>1</b>		<b>2</b>

Note: Other Schools scheduled for review in FY 2003.

**U. T. HEALTH SCIENCE CENTER AT HOUSTON**  
**REPORT ON PERIODIC EVALUATION OF TENURED FACULTY**  
**FY 2002**

School	Performing Well								Needs Additional Support or Marginal								Unsatisfactory							
	Male	Female	White	Black	Hispanic	Asian	Other	Total	Male	Female	White	Black	Hispanic	Asian	Other	Total	Male	Female	White	Black	Hispanic	Asian	Other	Total
<b>Medical</b>																								
Professor	4	1	5					5																
Assoc. Prof																								
Assist. Prof																								
Sub-Total	4	1	5					5																
<b>Dental</b>																								
Professor		2	1				1	2	1		1					1								
Assoc. Prof	4	1	4			1		5	1		1				1									
Assist. Prof																								
Sub-Total	4	3	5			1	1	7	2		2				2									
<b>Nursing</b>																								
Professor																								
Assoc. Prof		1	1					1		1	1				1									
Assist. Prof																								
Sub-Total		1	1					1		1	1				1									
<b>Hlth Infor Sci</b>																								
Professor																								
Assoc. Prof									2		2				2									
Assist. Prof																								
Sub-Total									2		2				2									
<b>Public Health</b>																								
Professor	1		1					1	1				1		1									
Assoc. Prof	1	2	2			1		3																
Assist. Prof									1					1	1									
Sub-Total	2	2	3			1		4	2				1	1	2									
<b>TOTAL</b>	<b>10</b>	<b>7</b>	<b>14</b>			<b>2</b>	<b>1</b>	<b>17</b>	<b>6</b>	<b>1</b>	<b>5</b>		<b>1</b>	<b>1</b>	<b>7</b>									



**U. T. HEALTH SCIENCE CENTER AT SAN ANTONIO  
REPORT ON PERIODIC EVALUATION OF TENURED FACULTY  
FY 2002**

School	Performing Well							Needs Additional Support or Marginal							Unsatisfactory									
	Male	Female	White	Black	Hispanic	Asian	Other	Total	Male	Female	White	Black	Hispanic	Asian	Other	Total	Male	Female	White	Black	Hispanic	Asian	Other	Total
<b>Medical</b>																								
Professor	10	1	10	1				11																
Assoc. Prof	1		1					1	1		1					1								
Assist. Prof																								
Sub-Total	11	1	11	1				12	1		1					1								
<b>Dental</b>																								
Professor	2		1		1			2																
Assoc. Prof	1	1	2					2																
Assist. Prof		1		1				1																
Sub-Total	3	2	3	1	1			5																
<b>Graduate</b>																								
Professor	11	3	12			2		14																
Assoc. Prof		1	1					1																
Assist. Prof																								
Sub-Total	11	4	13			2		15																
<b>Nursing</b>																								
Professor		1	1					1																
Assoc. Prof																								
Assist. Prof																								
Sub-Total		1	1					1																
<b>Allied Health</b>																								
Professor																								
Assoc. Prof	1		1					1																
Assist. Prof																								
Sub-Total	1		1					1																
<b>TOTAL</b>	<b>26</b>	<b>8</b>	<b>29</b>	<b>2</b>	<b>1</b>	<b>2</b>		<b>34</b>	<b>1</b>		<b>1</b>					<b>1</b>								

**U. T. M. D. ANDERSON CANCER CENTER  
 REPORT ON PERIODIC EVALUATION OF TENURED FACULTY  
 FY 2002**

Institutional*	Performing Well							Needs Additional Support or Marginal							Unsatisfactory									
	Male	Female	White	Black	Hispanic	Asian	Other	Total	Male	Female	White	Black	Hispanic	Asian	Other	Total	Male	Female	White	Black	Hispanic	Asian	Other	Total
Professor	26	5	22		1	8		31																
Assoc. Prof	2		1	1				2																
Assist. Prof																								
<b>TOTAL</b>	<b>28</b>	<b>5</b>	<b>23</b>	<b>1</b>	<b>1</b>	<b>8</b>		<b>33</b>																

\* Institutional Faculty not tenured in Schools.

THE UNIVERSITY OF TEXAS SYSTEM  
HEALTH COMPONENTS  
REPORT ON PERIODIC EVALUATION OF TENURED FACULTY  
FY 2002

**PRESENT STATUS OF EACH MARGINAL PERFORMANCE:**

**Houston: (1 Professor, and 1 Associate Professor in Dental School).** Their department chair and the Office of Educational Research and Professional Development have counseled the two individuals.

**Houston: (1 Associate Professor in Nursing School).** Faculty member was advised to focus on data based publications prior to submitting for promotion. The faculty member's performance is overall very good otherwise.

**Houston: (2 Associate Professors in Health Information Sciences).** One needed to assume expected teaching load and the other needs to meet expectations for scholarly work, i.e. publications and funded research.

**Houston: (1 Professor and 1 Assistant Professor in School of Public Health).** These faculty members were advised of the need for increased research productivity to enhance publication records and funded research. One was also advised of the need for national and international visibility.

**San Antonio: (1 Associate Professor in Medical School).** The faculty member and the Chair of the department's Post Tenure Review Committee formulated a 24-month remediation plan. The plan has the approval of the Chair of the department, and he and the faculty member have met several times to discuss its implementation.

**PRESENT STATUS OF EACH UNSATISFACTORY PERFORMANCE:**

**Galveston: (1 Associate Professor in Medical School).** The School of Medicine Faculty Performance Evaluation Committee upheld the Department's evaluation and requested that the Chair, in consultation with the faculty member, develop a two-year remediation plan.

**Galveston: (1 Associate Professor in Allied Health Sciences).** Faculty member will establish plan with departmental chairperson and a faculty mentor and will be re-reviewed in 2004.

**PLANS FOR EVALUATION DURING CURRENT FISCAL YEAR 2003**

**Southwestern:** No tenured faculty are scheduled for evaluation in the Allied Health Science School in FY 2003. Twenty-four Medical School tenured faculty are scheduled for evaluation in FY 2003.

**Galveston:** Twenty five percent (36) of the remaining tenured faculty in the Medical School will be reviewed based on academic year of tenure award ( in four-year increments). One Professor and one Associate Professor are scheduled for evaluation in the School of Allied Health Sciences. In the School of Nursing, one tenured faculty member is due for post-tenure review in FY 2003.

**Houston:** All Six-year Reviews in the Dental Branch have been completed for 2002. The Appointment, Promotion and Tenure Committee will conduct the Six-Year Reviews as they did for this year. The Medical School will assist departments in conducting more reviews. Progress in the School of Health Information Sciences will be monitored during the year and another review done in October 2003. FY 2003 will be time for the Six-Year Post Tenure Review for one Associate Professor. Reviews will be done for all tenured faculty who have been at the School of Nursing for six years. The School of Public Health will review a segment of tenured faculty each year according to school guidelines.

**San Antonio:** In the Medical School, 14 faculty will undergo post-tenure review. Three faculty in the Dental School are scheduled for review. In the Graduate School of Biomedical Sciences, eight faculty are scheduled for post-tenure review. No Nursing School faculty are due for review. One faculty member in the School of Allied Health Sciences is scheduled for review.

**M. D. Anderson:** Twenty-six Professors and 13 Associate Professors are scheduled for review in the current year, FY 2003.

## **STATUS REPORT ON TEXAS UNIVERSITIES HEALTH PLAN, INC. (TUHP)**

- On November 1, 2002, TUHP completed the transfer of the Children's Health Insurance plan (CHIP) to Superior HealthPlan, Inc. in accordance with the Asset Purchase Agreement between TUHP and Superior HealthPlan, Inc.
- With this transfer, there are no remaining members insured by TUHP.
- TUHP estimates that payment of run-out claims will be 95% complete by March 2003.
- TUHP must retain its HMO license until all run-out claims are paid, perhaps through December 2003.
- During the interim, TUHP will monitor the legislative activity to determine if there is a reason to maintain the HMO license.
- If there is no viable reason to maintain the HMO license, TUHP will relinquish the license upon payment of all its claims and then proceed with dissolution of the corporation.
- UT System, as the sole member of TUHP, would be involved in the approval process for dissolution.

Academic Component Institutions:  
*The University of Texas at Arlington*  
*The University of Texas at Austin*  
*The University of Texas at Brownsville*  
*The University of Texas at Dallas*  
*The University of Texas at El Paso*  
*The University of Texas-Pan American*  
*The University of Texas of the Permian Basin*  
*The University of Texas at San Antonio*  
*Institute of Texan Cultures*  
*The University of Texas at Tyler*



Health Component Institutions:  
*The University of Texas Southwestern Medical Center at Dallas*  
*The University of Texas Medical Branch at Galveston*  
*The University of Texas Health Science Center at Houston*  
*The University of Texas Health Science Center at San Antonio*  
*The University of Texas M.D. Anderson Cancer Center*  
*The University of Texas Health Center at Tyler*

## THE UNIVERSITY OF TEXAS SYSTEM

601 COLORADO STREET AUSTIN, TEXAS 78701-2982

**FAXED**  
12-9-02

Health Affairs Office  
(512) 499-4224  
FAX (512) 499-4313

December 9, 2002

### MEMORANDUM

TO: Dr. Kirk Calhoun  
Dr. Francisco G. Cigarroa  
Dr. John Mendelsohn  
Dr. John Stobo  
Dr. C. Kern Wildenthal  
Dr. James T. Willerson

FROM: James C. Bucklan, M.D.

SUBJECT: LBB and Governor's Office Performance Measures

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Attached is a draft document regarding these measures. Please pay particular attention to pages 7 and 8, "Recommended Key Performance Measures." We have not attempted to justify deletion of existing measures or addition of new ones. I would appreciate your recommendations by January 10, 2003.

Thank you.

JCG/tlw

xc: Chancellor Mark Yudof  
Dr. Mike McKinney  
Dr. Geri Malandra  
Ms. Amy Shaw Thomas  
Mr. J. B. Pace

# Existing Performance Measures Health-Related Institutions

## Strategic Planning and Budgeting System (SPB)

In 1992, the Governor and the Legislative Budget Board (LBB) adopted a Strategic Planning and Budgeting system (SPB) to allocate state government resources. SPB recognizes relationships between funding and performance, between accountability and resource allocation and most importantly, between spending and results. To measure state agencies progress toward meeting state-identified goals and establish the relationship between state appropriations and results, a system of performance measurement was deemed a critical component of the SPB. As a practical matter, due to the nature of the funding mechanisms for institutions of higher education, the performance-based budgeting system has had minimal impact on higher education funding.

Strategic planning and budgeting structures serve as the starting point for developing an agency's biennial budget request. Agencies work with the LBB and GOBP to develop a budget structure that reflects the agencies strategic plans, goals and objectives, and spending priorities. Even though higher education is exempted from the state's strategic planning requirements, institutions still develop and follow approved budget structures.

## Performance Measures

The Strategic Planning and Budgeting performance measurement system includes four types of performance measures: outcome, output, efficiency, and explanatory/input. The following are definitions of the measures:

<u>Outcome Measure</u>	A quantifiable indicator of the public and customer benefits from an agency's actions
<u>Output Measure</u>	A quantifiable indicator of the number of goods or services an agency produces
<u>Efficiency Measure</u>	A quantifiable indicator of productivity expressed in unit costs, units of time, or other ratio-based units
<u>Explanatory/Input Measure</u>	An indicator of factors, agency resources, or requests received that affect a state entity's performance.

## Key Performance Measures

Institutions of higher education work with the LBB and GOBPP to determine which measures are deemed to be the most important. These "key" measures are included in the General Appropriations Act each biennium.

## Recommended Key Performance Measures

# DRAFT

### Outcome Measures

Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt  
Percent of Medical School Graduates Entering a Primary Care Residency in Past Year  
Percent of Medical School Graduates in Past 10 Years Practicing in Texas  
Percent of Medical Residency Completers in Past 5 Years Practicing in Texas  
Percent of Medical Residency Completers Who Passed Certification Board Exams on First Attempt  
Percent of Medical Residency Completers Who Passed Certification Board Exam on First Attempt  
Percent of Dental School Graduates Admitted to an Advanced Education Program in General Dentistry in Past Year  
Percent of Dental Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt  
Percent of Dental School Graduates in Past 10 Years Practicing in Texas  
Percent of Allied Health Graduates Passing the Certification/Licensure Examination on the First Attempt  
Percent of Allied Health Graduates in Past 10 Years Who are Licensed or Certified in Texas  
Percent of BSN Graduates Passing the National Licensing Exam on the First Attempt  
Percent of BSN Graduates in Past 10 Years Who are Licensed in Texas  
Percent of MSN Graduates in Past 10 Years Granted Advanced Practice Status in Texas  
Percent of Pharmacy School Graduates Passing the National Licensing Exam on the First Attempt  
Percent of Pharmacy School Graduates Who are Licensed in Texas  
Administrative Cost as a Percent of Total Expenditures  
Total Value of Lost or Stolen Property  
Lost or Stolen Property as a Percent of Total Inventory

### Output Measures

Total Number of Degrees or Certificates Awarded (Each School)  
Minority Graduates as a Percent of Total Graduates (Each School)  
Number of M.D. / Ph.D. Graduates  
Number of High School and Middle School Teachers Completing a STARS Program (UTSMC)  
Number of High Schools and Middle Schools Represented by Teachers Completing a STARS Program (UTSMC)  
State-Owned Hospital Admissions  
State-Owned Hospital Days  
Clinic Visits  
Total Gross Charges for Un-sponsored Charity Care Provided by Faculty  
Total Gross Charges for Un-sponsored Charity Care Provided in State-owned Facilities  
State Support for Patient Care as a Percent of Charity Care  
Total Research Expenditures  
Total External Research Expenditures  
Total Federal Research Expenditures  
External Research Expenditures as a Percent of State Appropriations for Research  
Federal/State Ratio of Expenditures for Research and Development  
Net Intellectual Property Income



**Recommended  
Key Performance Measures**

**DRAFT**

**Explanatory/Input Measures**

Graduate School Enrollment

Medical School Enrollment

Dental School Enrollment

Allied Health Enrollment

Public Health School Enrollment

Nursing School Enrollment

Pharmacy School Enrollment

Total Number of Medical Residents

Minority Residents as a Percent of Total Residents