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Committee Meeting: 11/9/2005

Board Meeting: 11/10/2005
Austin, Texas

Rita C. Clements, *Chairman*
H. Scott Caven, Jr.
Judith L. Craven, *M.D.*
Cyndi Taylor Krier
Robert B. Rowling

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Convene	1:00 p.m. <i>Chairman Clements</i>		
1. U. T. System: Quarterly report on health issues by Executive Vice Chancellor Shine	1:00 p.m. Report <i>Dr. Shine</i>	Not on Agenda	35
2. U. T. Medical Branch - Galveston: Update on Austin Women's Hospital	1:05 p.m. Report <i>President Stobo</i>	Not on Agenda	35
3. U. T. System: Report on investment in collaborative research projects	1:10 p.m. Report <i>Dr. Shine</i>	Not on Agenda	35
4. U. T. Health Science Center - San Antonio: Report on Medical Arts and Research Center future plans	1:15 p.m. Report <i>President Cigarroa</i> <i>Mr. George Hernandez, Jr.</i>	Not on Agenda	36
5. U. T. Medical Branch - Galveston: Discussion of compact priorities	1:20 p.m. Report <i>President Stobo</i> <i>Dr. Shine</i>	Not on Agenda	36
6. U. T. M. D. Anderson Cancer Center: Authorization to purchase 10,710 square feet of land improved as a parking lot, being a portion of Lot 29, Block 16, Westmoreland Farms Amended First Subdivision, Houston, Harris County, Texas, from West Houston Healthcare Group, Ltd., at fair market value as established by an independent appraisal, for continued use as parking adjacent to the institution's Bellaire Radiation Treatment Center	1:40 p.m. Action <i>President Mendelsohn</i> <i>Ms. Mayne</i>	Action	36
7. U. T. System: Approval of revisions to increase coverage for certain out-of-state externships and adoption of associated premiums to the U. T. System Professional Medical Liability Benefit Plan	1:45 p.m. Action <i>Dr. Shine</i> <i>Mr. Burgdorf</i>	Action	39

	Committee Meeting	Board Meeting	Page
8. U. T. Health Science Center - San Antonio: Cyclotron Addition - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include project	<i>1:55 p.m.</i> Action <i>Mr. Dixon</i>	Action	40
Adjourn	<i>2:00 p.m.</i>		

1. **U. T. System: Quarterly report on health issues by Executive Vice Chancellor Shine**

REPORT

Executive Vice Chancellor Shine will report on health matters of interest to the U. T. System. This is a quarterly update to the Health Affairs Committee of the U. T. System Board of Regents.

2. **U. T. Medical Branch - Galveston: Update on Austin Women's Hospital**

REPORT

President Stobo will update the Board on the status and activities of the U. T. Medical Branch - Galveston - Austin Women's Hospital located on the fifth floor of Seton/Brackenridge Hospital in Austin as set out in the PowerPoint presentation on Pages 96 - 97 in the Supplemental Materials (Volume 2) of the Agenda Book.

3. **U. T. System: Report on investment in collaborative research projects**

REPORT

Over the past two years, the U. T. System Board of Regents has approved allocation of \$27 million from medical liability fund balances for support of collaborative research activities between the academic and health institutions of the U. T. System. In the chart attached on Page 35.1, the projects supported with these funds are outlined with the collaborative institutions identified.

Collaborative Research Projects

	Fiscal Year	Project	Amount
UTMB	2004	UT Austin-UTMB Combined Degree Program	\$1.5M
	2004	Research on Underrepresented Minority Populations - UT Tyler, MDACC, et al.	\$1M
	2005	UT Austin-UTMB Combined Degree Program	\$3.15M
HC Tyler	2004	Center for Healthy Aging - UT Tyler	\$2.5M
	2005	Health Disparities Program - UT Tyler, UTMB, MDACC, et al.	\$.25M
SMC Dallas	2004	UTSMC/UTD/UTA Joint Program in Imaging Center	\$2.5M
	2005	Electronic Master Person Index - U. T. Public Health School-Houston	\$2.5M
HSC Houston	2004	MDACC/HSC Houston Molecular Imaging	\$2.5M
	2005	Brownsville Public Health Laboratory - UT Brownsville	\$1.8M
MDACC	2004	MDACC/HSC Houston Molecular Imaging	\$2.5M
	2005	Inst for the Early Detection & Treatment of Cancer - HSC Houston	\$1.9M
HSC SA	2004	San Antonio Life Sciences Institute Proposal - UTSA	\$2.5M
	2005	Bioinformatics/Computational Biology - UTSA	\$2.2M
	2005	Summer Research Mentoring Program - UTSA	\$.2M
TOTAL			\$27M

4. **U. T. Health Science Center - San Antonio: Report on Medical Arts and Research Center future plans**

REPORT

President Cigarroa will report on future plans for the Medical Arts and Research Center (MARC) using the PowerPoint presentation on Pages 98 - 106 in the Supplemental Materials (Volume 2) of the Agenda Book. (See Item 7 on Page 52 regarding a request for design development approval of the MARC in the Facilities Planning and Construction Committee.)

5. **U. T. Medical Branch - Galveston: Discussion of compact priorities**

REPORT

President Stobo and Executive Vice Chancellor Shine will lead a discussion about compact priorities for U. T. Medical Branch - Galveston as set out in the compact on Pages 107 - 129 in the Supplemental Materials (Volume 2) of the Agenda Book.

6. **U. T. M. D. Anderson Cancer Center: Authorization to purchase 10,710 square feet of land improved as a parking lot, being a portion of Lot 29, Block 16, Westmoreland Farms Amended First Subdivision, Houston, Harris County, Texas, from West Houston Healthcare Group, Ltd., at fair market value as established by an independent appraisal, for continued use as parking adjacent to the institution's Bellaire Radiation Treatment Center**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Mendelsohn that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. M. D. Anderson Cancer Center, to

- a. purchase approximately 10,710 square feet of land improved as a parking lot, being a portion of Lot 29, Block 16, Westmoreland Farms Amended First Subdivision, Houston, Harris County, Texas, from West Houston Healthcare Group, Ltd., at fair market value as established by an independent appraisal, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property

as deemed necessary or advisable by the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate; and

- b. authorize the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendation.

BACKGROUND INFORMATION

The subject property consists of approximately 10,710 square feet of land improved with a 22-space asphalt parking lot, located on Mapleridge Street immediately south of U. T. M. D. Anderson Cancer Center's Bellaire Radiation Treatment Center, 6602 Mapleridge Street, Houston, Texas. (See map on Page 38.1.) The institution has a perpetual easement to use the subject property for parking for the Bellaire Radiation Treatment Center and seeks to acquire the fee interest in the property. The easement allows the Center the nonexclusive use of any parking facilities on the property; nevertheless, the easement does not require that any parking facilities be provided.

U. T. M. D. Anderson Cancer Center acquired the Bellaire Radiation Treatment Center in early 2005. The subject property contains the majority of the Treatment Center's parking spaces, which are essential to the Center's present operations. Obtaining the fee interest in the subject property would give the institution certainty with respect to parking for the Treatment Center and flexibility for future expansion.

After acquisition, the improvements will remain and the site will continue to be used for parking. U. T. M. D. Anderson Cancer Center will use funds from the operation of the Bellaire Radiation Treatment Center to fund the purchase price estimated to be \$95,000; the terms and conditions of the acquisition are reflected in the transaction summary below:

Transaction Summary

Institution:	U. T. M. D. Anderson Cancer Center
Type of Transaction:	Purchase
Total Area:	Approximately 0.2459 acres or 10,710 square feet
Improvements:	Lighted and landscaped parking lot consisting of 22 asphalt-paved spaces, serving the Bellaire Radiation Treatment Center at 6602 Mapleridge Street, Houston, Texas

Location: A portion of Lot 29, Block 16, Westmoreland Farms Amended First Subdivision, Houston, Harris County, Texas

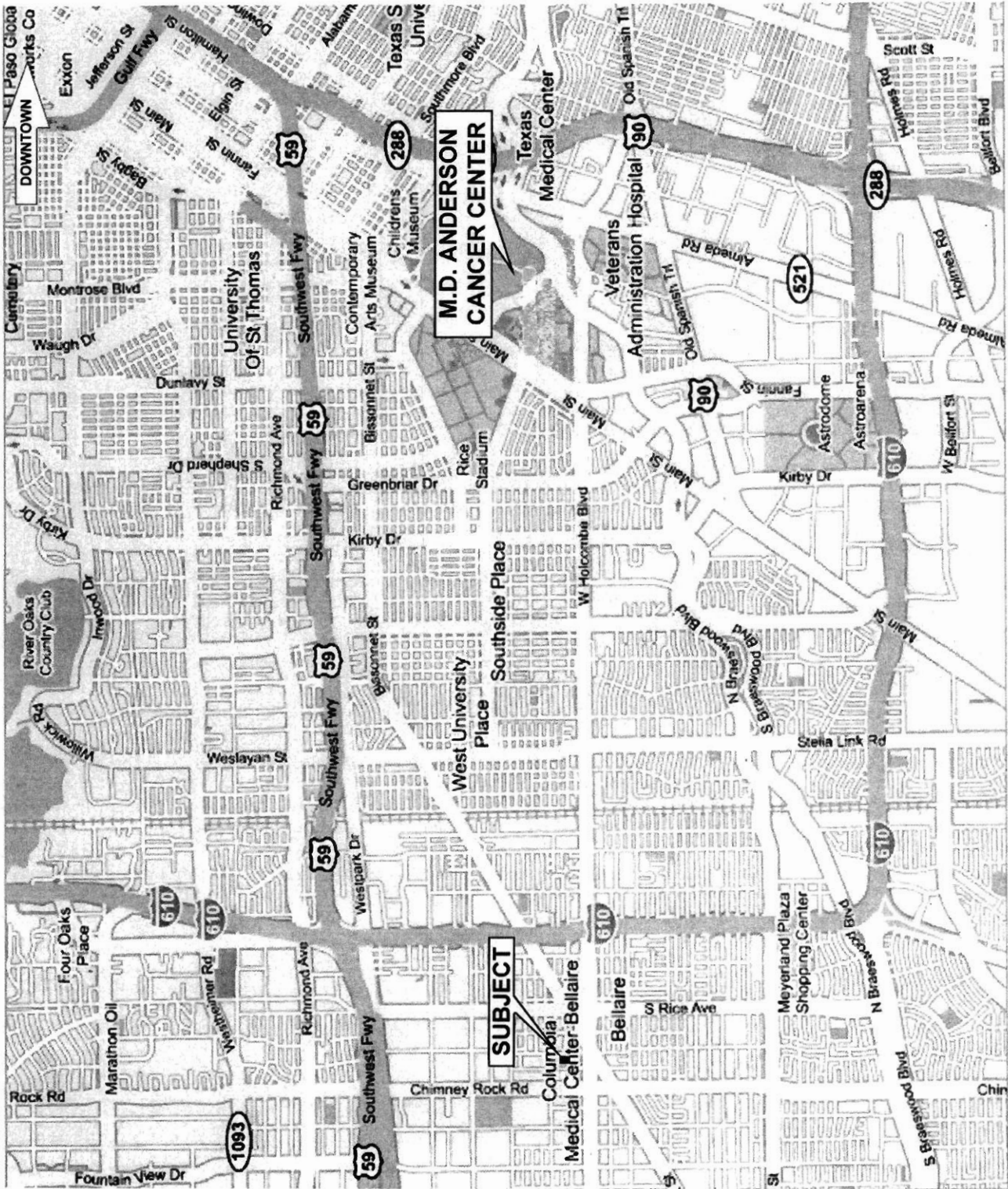
Seller: West Houston Healthcare Group, Ltd., an affiliate of Hospital Corporation of America, Inc.

Purchase Price: Estimated to be \$95,000 (contract not yet executed)

Appraised Value: \$95,000 (Gerald A. Teel Company, Inc., valued May 25, 2005) (the value of the fee simple interest, subject to the parking easement held by the Board of Regents of The University of Texas System)

Source of Funds: Funds from operation of the Bellaire Radiation Treatment Center

Intended Use: Parking lot for The University of Texas M. D. Anderson Cancer Center Bellaire Radiation Treatment Center



7. **U. T. System: Approval to amend the U. T. System Professional Medical Liability Benefit Plan**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and the Vice Chancellor and General Counsel that Article VII of the U. T. System Professional Medical Liability Benefit Plan be amended as shown below in congressional style to provide coverage up to \$1 million effective September 1, 2005, to U. T. medical students who are pursuing clinical externships outside of Texas.

**ARTICLE VII
LIMITS OF LIABILITY**

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Limits of Liability Schedule

The following limits shall apply unless lower liability limits are set by law, in which case the lower limits shall apply:

Staff Physician - \$500,000.00 per Liability Claim (up to \$1,500,000.00 for all Liability Claims during any one enrollment period)

Resident and Fellows - \$100,000.00 per Liability Claim (up to \$300,000.00 for all Liability Claims during any one enrollment period)

Medical or Dental Student - \$25,000.00 per Liability Claim (up to \$75,000.00 for all Liability Claims during any one enrollment period); upon approval by the Plan Administrator or a delegate, up to \$1,000,000.00 per Liability Claim (up to \$3,000,000.00 for all Liability Claims during any one enrollment period) for participation in an "away" or off-site experience outside of Texas sanctioned by the U. T. institution and not exceeding three months in duration during any one enrollment period

Annual Aggregate - \$30,000,000.00 for all Liability Claims for all Participants during any one Plan year

Per Claim Limitation - Plan liability shall be limited to \$2,000,000.00 per claim regardless of the number of the claimants or Plan Participants involved in an incident.

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BACKGROUND INFORMATION

At the August 11, 2005 meeting of the Board of Regents, an amendment to the U. T. System Professional Medical Liability Benefit Plan was approved that extended coverage to U. T. medical students in out-of-state externships. The proposed amendment clarifies the amendment previously adopted to specifically provide this coverage "up to \$1 million" to prevent over-insurance since not all institutions require exactly \$1 million in coverage.

8. U. T. Health Science Center - San Antonio: Cyclotron Addition - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include project

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Cigarroa that the U. T. System Board of Regents amend the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include the Cyclotron Addition project at The University of Texas Health Science Center at San Antonio at a preliminary project cost of \$3,000,000 with funding of \$1,600,000 from Gifts, \$900,000 from Unexpended Plant Funds, and \$500,000 from Library, Equipment, Repair and Rehabilitation (LERR).

Architecturally or Historically Significant: Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: January 2007

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Gifts	\$1,600,000
	Library, Equipment, Repair and Rehabilitation	\$ 500,000
	Unexpended Plant Funds	<u>\$ 900,000</u>
		\$3,000,000

BACKGROUND INFORMATION

Project Description

U. T. Health Science Center - San Antonio is requesting the addition of approximately 3,000 gross square feet to the Robert F. McDermott Clinical Science Building for a cyclotron. Recently, Dr. Peter Fox, Director of the Research Imaging Center (RIC), was successful in recruiting a renowned scientist who requires a state-of-the-art dual-beam, negative-ion cyclotron. The RIC is used to study basic mechanisms of cognition,

learning, development, and aging in animal models for human diseases. One of the RIC's most heavily used resources is the cyclotron. The cyclotron is now a 13-year-old single beam system producing radiotracers that are used for imaging. The purchase of a dual-beam, negative-ion, 17 mega-electron-volt cyclotron and associated radio-synthetic equipment will approximately triple the production capacity of the present cyclotron and support radiopharmaceutical research.

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