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FOR
HEALTH AFFAIRS COMMITTEE

Committee Meeting: 11/5/2014

Board Meeting: 11/6/2014
El Paso, Texas

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Ernest Aliseda
Jeffery D. Hildebrand
Brenda Pejovich
Wm. Eugene Powell

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6.	**U. T. Health Science Center - San Antonio: Authorization to purchase 2.841 acres of land and improvements at 8431 Fredericksburg Road, San Antonio, Bexar County, Texas, from WNLV, LTD., H5 Properties, L.P., and EZJ Management, LLC for future campus expansion; and resolution regarding parity debt**	*1:48 p.m.* **Action** *President Henrich* *Mr. Tames*	**Action**	**117**
7.	**U. T. System: Update on infectious diseases, including provision of specialized health care and current state of preparedness**	*1:53 p.m.* **Report/Discussion** *President Callender* *President Podolsky*	Not on Agenda	**120**
Adjourn		*2:00 p.m.*		

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

RECOMMENDATION

The proposed Consent Agenda is located at the back of the book.

2. U. T. System: Approval of $5 million from the Available University Fund to support Phase 1 of the U. T. Systemwide Diabetes Obesity Control Initiative and delegation to the Office of Health Affairs and the Office of General Counsel the authority to contract with selected entities to create a Technology Core

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs and the Vice Chancellor for Research and Innovation that the U. T. System Board of Regents approve $5 million from the Available University Fund to support Phase 1 of the U. T. Systemwide Diabetes Obesity Control initiative (Project DOC) and delegation of authority for the Office of Health Affairs and the Office of General Counsel to contract with selected entities to create a Technology Core. Funds would provide operational project support within the U. T. System Office of Health Affairs and the contract for hire of an external multifunction consultant team to implement this initiative.

BACKGROUND INFORMATION

Goals of the Initiative:

- To support and further U. T. System institutions' ability to care for patients with or at risk for diabetes and obesity in Texas. Specifically, the project will leverage social, mobile, and cloud technologies, as well as big data and cognitive analytics, to augment and accelerate effective management and care for these patients.

- To enhance U. T. System's research and education missions by developing novel types of access to patient big data and leveraging other U. T. System initiatives, such as U. T. Research Cyberinfrastructure and the Institute for Transformative Learning (ITL).

Deliverables:

- A demonstration of feasibility and scalability of a technology-enabled and data-driven patient and consumer-centric model of value-based healthcare for diabetes

- Measurable improvement in patient outcome and health economics.

General Approach to the Project:

Through a Technology Core made up of industry leaders with cutting-edged capabilities and assets, Project DOC will develop and implement a suite of provider-enabling and patient empowering technology solutions. These capabilities fall into three main anchor platforms: (1) cognitive analytics and expert system, (2) personal connected mobile health solution, and (3) cloud-based information interchange.

In addition, as the fourth component of the Technology Core, a diversified and experienced System Integration Team will incorporate these solutions into local health care delivery systems to create a disease management framework for providing patient-centric and value-based diabetes care. Phase 1 is the Design Phase, where the Technology Core will identify the business, technical, and user requirements for the diabetes management solutions. Such requirements will guide the design of the solutions, which will in turn drive a set of budgets, timelines with milestones, and deliverables supported by work plans. Phase 1 will also include development and negotiation of a sharing model for intellectual property, risk, and revenue between the Technology Core and the U. T. System. Phase 1 includes collaboration among the Technology Core, U. T. System institutions, and U. T. System Administration to develop plans to leverage the capabilities, technology solutions, and data of Project DOC to enhance the research and educational mission of all U. T. System institutions.

The Project will initially target the Rio Grande Valley, which has a well-documented high incidence of diabetes and obesity, and then systematically be extended to other regions of Texas. Phase 1 will include a systematic analysis specific to communities that will define the business, technical, and user requirements for the technology solutions. Success of Phase 1, as determined by evaluation of the Phase 1 deliverables, will determine whether subsequent phases of the project will be recommended to the Board of Regents for approval and funding.

This action item is to seek approval for a budget capped at $5 million for Phase 1 of Project DOC and seek delegation of authority to the Office of Health Affairs and the Office of General Counsel to contract with selected entities to create the Technology Core. The budget will support contracts with Technology Core members for Phase 1 activities, as well as operating funds to direct and manage this project under the direction of the Office of Health Affairs.

Use of the Available University Fund:

Phase 1 of the initiative is eligible for funding from the Available University Fund under the statutory authority of System Administration to provide technical assistance through development of technology that when deployed offers coordination of institutional activities related to diabetes health care and management. The technology will offer a coordinated enhancement of diabetes research and education and a coordinated element in the training of health professionals. The initiative will develop technology that can facilitate, augment, and enable more effective and efficient diabetes care delivery across System health care institutions. In addition, the scientific and medical big data of the initiative's Information Interchange will be available to all System institutions, including the several academic institutions that are actively engaged in diabetes research and education (Sections 51.353 and 65.16, *Texas Education Code*).

3. U. T. Southwestern Medical Center: Request to approve the honorific naming of the Biomedical Research Building on the North Campus as the C. Kern Wildenthal Research Building, in honor of C. Kern Wildenthal, M.D., Ph.D.

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for External Relations, and President Podolsky that the U. T. System Board of Regents approve the honorific naming of the Biomedical Research Building on the North Campus at U. T. Southwestern Medical Center as the C. Kern Wildenthal Research Building. This recommendation is in honor of C. Kern Wildenthal, M.D., Ph.D., President Emeritus and Professor of Medicine Emeritus to recognize his extraordinary accomplishments as both Dean of the Medical School and President of U. T. Southwestern.

BACKGROUND INFORMATION

Dr. Wildenthal served in senior leadership roles at U. T. Southwestern Medical Center for nearly 40 years. He joined the Southwestern faculty as an Assistant Professor of Medicine and Physiology in 1970. In 1971, he became an Associate Professor and a full Professor in 1975. From 1976 to 1980, he served as Dean of the Graduate School, and from 1980 to 1986, as Dean of the Medical School. In addition, Dr. Wildenthal was the second President of U. T. Southwestern, serving in that capacity for more than 20 years, from 1986 to 2008.

During Dr. Wildenthal's tenure as President, U. T. Southwestern more than quintupled in size and emerged as one of the leading medical institutions in the world. Four of its faculty won Nobel Prizes, 19 were elected members of the National Academy of Sciences, and 50 were named as presidents of national societies of their clinical and research specialties. During his time as President, research expenditures grew more than tenfold to nearly $400 million per year. The size of the campus grew from 65 acres to 300 acres; two referral hospitals and outpatient facilities totaling one million square feet were added to the campus; and the first half of a planned four million square foot research complex (the North Campus) was completed.

The Biomedical Research Building, also referred to as the NL Building, is located at 6000 Harry Hines Boulevard, on the North Campus of U. T. Southwestern Medical Center in Dallas. The NL Building has a contemporary design and offers state-of-the-art laboratories. The 12-story, 331,400 square foot building also houses the Departments of Dermatology, Cell Biology, and Microbiology, as well as the U. T. Southwestern Graduate School of Biomedical Sciences' Rolf and Ute Haberecht Administration and Academic Center. In addition, the Children's Medical Center Research Institute occupies the top floors of the Building. The NL Building opened in 2011 and has a current replacement cost of $216 million.

This naming proposal is consistent with the Regents' *Rules and Regulations*, Rule 80307, relating to the honorific naming of facilities to recognize an individual who has left an unforgettable impact on U. T. Southwestern Medical Center.

4. U. T. System: Report on activities and accomplishments of the institutional Clinical and Translational Science Institutes at U. T. System

REPORT

Patricia D. Hurn, Ph.D., Vice Chancellor for Research and Innovation at U. T. System, and the principal investigators of the four NIH-funded institutional Clinical and Translational Science Institutes will report on activities and accomplishments of these entities. Dr. Hurn will introduce the following panel of presenters:

- **Allan R. Brasier, M.D.**, Director of the Institute of Translational Science, U. T. Medical Branch - Galveston
- **Robert A. Clark, M.D.**, Director of the Institute for Integration of Medicine and Science, U. T. Health Science Center - San Antonio
- **David D. McPherson, M.D.**, Executive Director, Center for Clinical and Translational Sciences, U. T. Health Science Center - Houston
- **Robert Toto, M.D.**, member of the Translational Science and Technology Acquisition and Retention (STARs) Program, U. T. Southwestern Medical Center

BACKGROUND INFORMATION

Presenters are principal investigators and directors of four NIH-funded clinical and translational research institutes/centers within the U. T. System. These include:

- **Center for Clinical and Translational Sciences**, comprised of U. T. Health Science Center - Houston, U. T. M. D. Anderson Cancer Center, and Memorial Hermann Hospital System;
- **North and Central Texas Clinical and Translational Science Initiative** at U. T. Southwestern Medical Center;
- **Institute for Integration of Medicine and Science** at U. T. Health Science Center - San Antonio; and
- **Institute for Translational Sciences** at U. T. Medical Branch - Galveston

The funding for these institutes/centers is awarded from the national Clinical and Translational Science Award (CTSA) program launched in 2006 by the NIH with the goal of transforming the way biomedical research is conducted. The goals of these institutes are to accelerate the translation of laboratory discoveries into treatment of patients, to engage communities in clinical research efforts, and to train a new generation of clinical and translational researchers. Each CTSA-funded institute/center is reauthorized for NIH funding every four years on a highly competitive basis.

Each CTSA-funded institute provides tremendous resources to researchers, faculty, and students of all disciplines who conduct clinical and translational research. In addition, the four CTSAs collaborate as part of the newly formed Texas Regional CTSA Consortium (TRCC). The goal of the TRCC is to facilitate clinical and translational research and dissemination among the Texas CTSA institutions and other interested Texas and national biomedical research institutions.

5. U. T. Southwestern Medical Center: Report on the William P. Clements, Jr. University Hospital

REPORT

President Podolsky will introduce John Warner, M.D., Vice President and Chief Executive Officer of U. T. Southwestern University Hospitals, who will report on the new William P. Clements, Jr. University Hospital at U. T. Southwestern Medical Center. President Podolsky briefly presented the status of the project at the August 20, 2014 Health Affairs Committee meeting. Dr. Warner's presentation is set forth on the following pages.

BACKGROUND INFORMATION

On November 15, 2014, the William P. Clements, Jr. University Hospital at U. T. Southwestern Medical Center will open its doors to the public, transforming medical care in North Texas and serving as a model for academic medical centers across the country. The goal of the new hospital is to bring together innovative hospital design, state-of-the-art technology, and industry best practices to create an environment that seamlessly integrates patient care with leading-edge research and medical education.

In 2009, former Texas Governor William P. Clements, Jr., made an unprecedented $100 million gift to U. T. Southwestern Medical Center, the largest single gift in the institution's history. In the spirit of Governor Clements' intentions, the institution chose to use the funds to support construction of a new university hospital (approved by the Board on November 11, 2009) to replace the aging St. Paul University Hospital. The new university hospital broke ground in March 2011 on the West Campus, immediately northwest of the existing St. Paul Hospital building. The hospital is comprised of 460 patient beds, 24 operating rooms, 40 emergency rooms, endoscopy and catheterization/interventional rooms, and imaging services. The total cost for the hospital and related components was $800 million.

On April 12, 2012, the Board of Regents approved the honorific naming of the new university hospital as the William P. Clements, Jr. University Hospital.

U.T. Southwestern Medical Center
William P. Clements, Jr. University Hospital

John Warner, M.D.
Vice President and CEO, U. T. Southwestern University Hospitals

U. T. System Board of Regents' Meeting
Health Affairs Committee
November 2014

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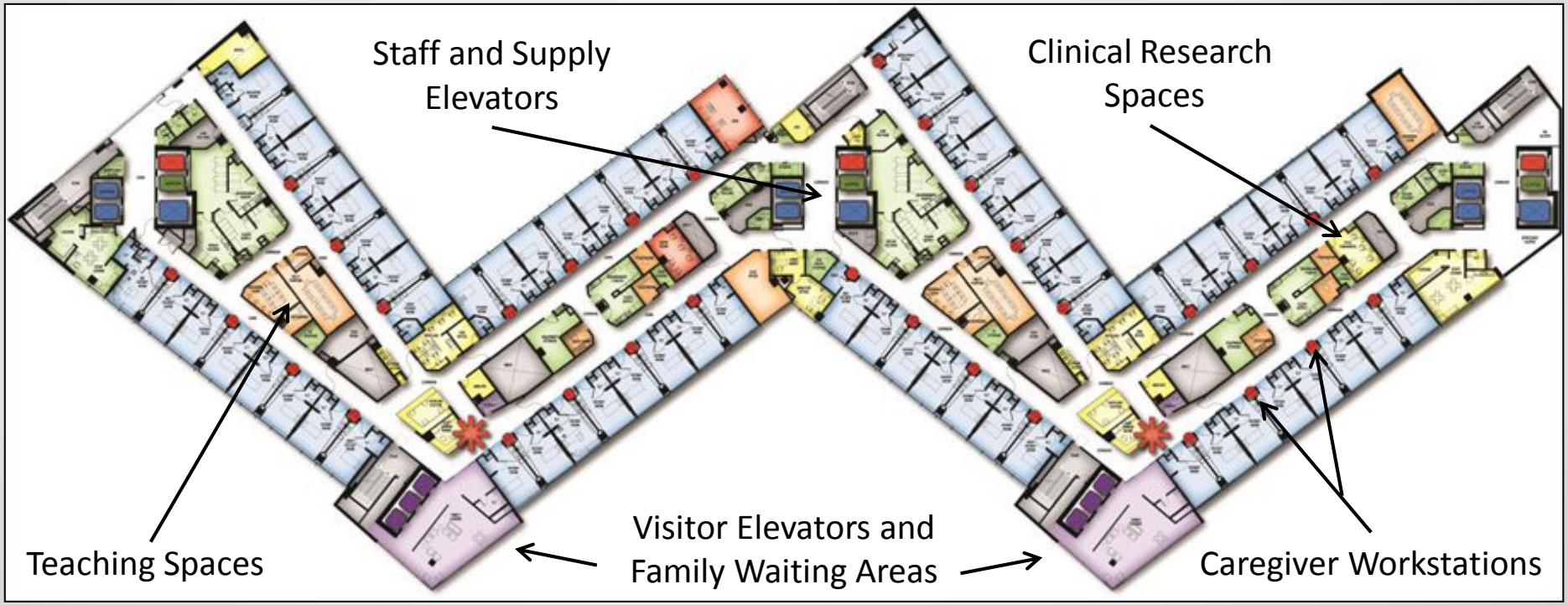
William P. Clements, Jr. University Hospital

- 460-bed acute care hospital
- Patient-centered design focused on the optimal care and experience of patients and families
- Multidisciplinary, team-based care incorporated into every element of architecture and technology
- Seamless integration of patient-oriented research and education into every care environment
- Flexible design that accommodates advances in technology and care-delivery models

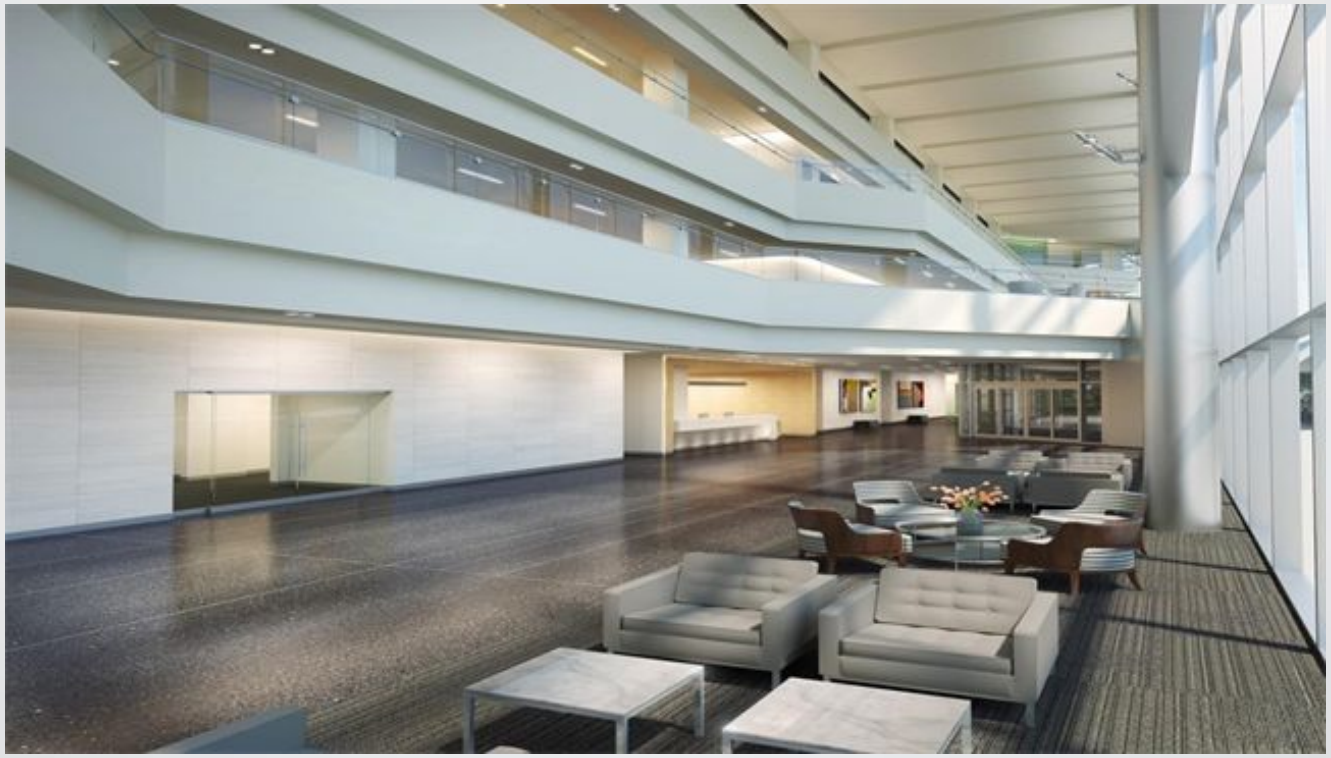
William P. Clements, Jr. University Hospital

“W” Design of Patient Care Unit



William P. Clements, Jr. University Hospital

William P. Clements, Jr. University Hospital



William P. Clements, Jr. University Hospital

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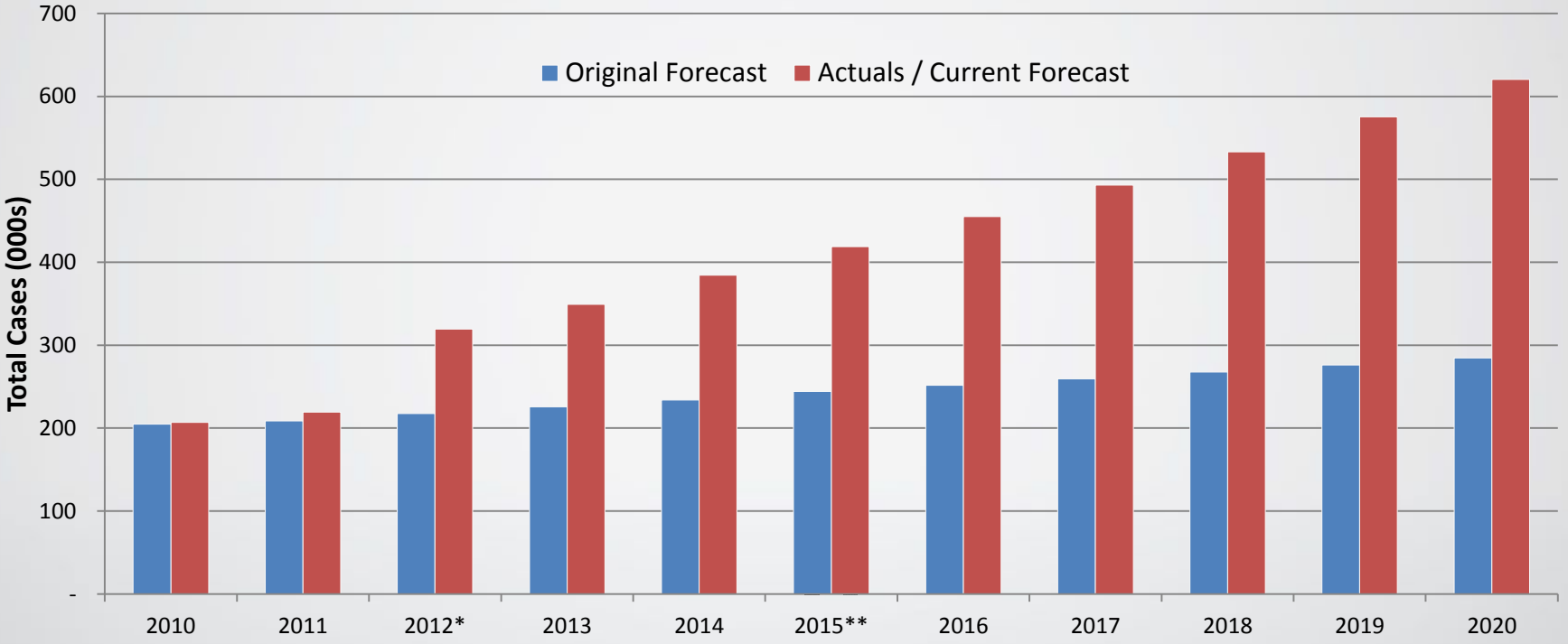
William P. Clements, Jr. University Hospital

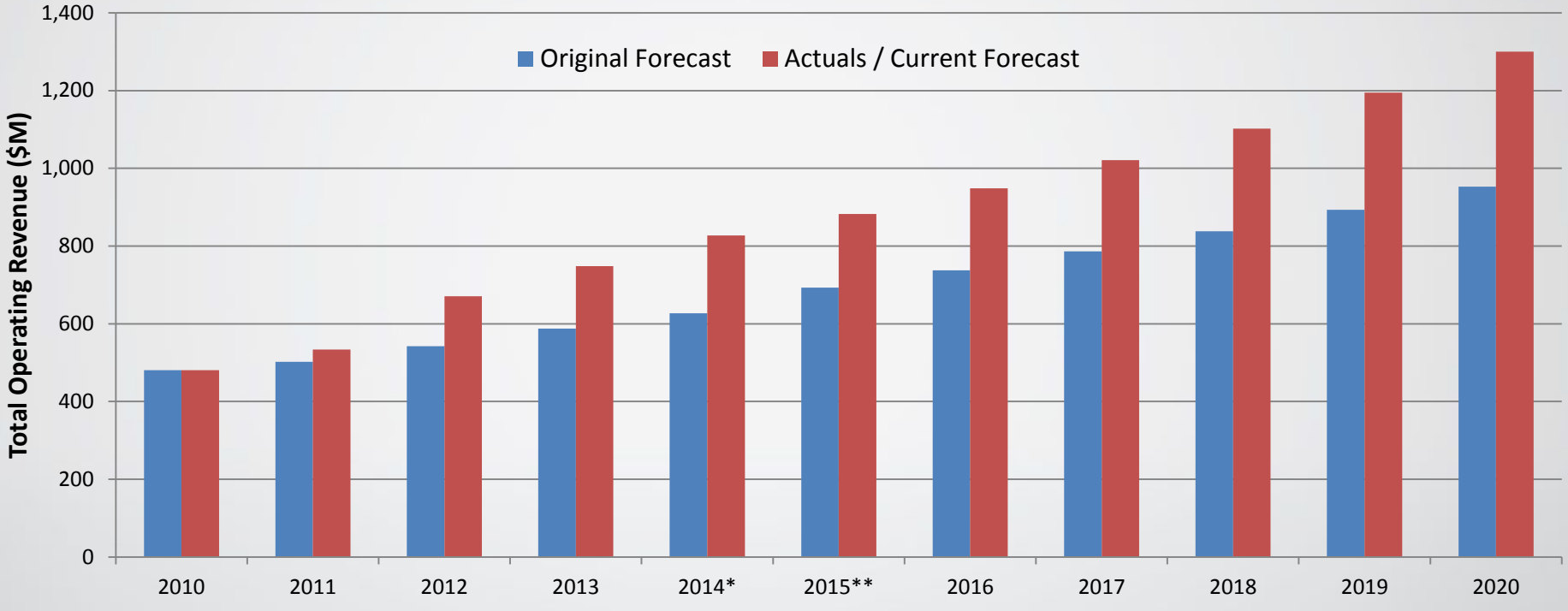
University Hospital's Total Cases



* Magnitude of increase driven by several clinics becoming hospital-based

**FY2015 Original Forecast is based on first full year of Clements University Hospital, originally expected to open in FY2016

University Hospital's Total Operating Revenue



* FY2014 Current Forecast is based on year to date activity

**FY2015 Original Forecast is based on first full year of Clements University Hospital, originally expected to open in FY2016

6. U. T. Health Science Center - San Antonio: Authorization to purchase 2.841 acres of land and improvements at 8431 Fredericksburg Road, San Antonio, Bexar County, Texas, from WNLV, LTD., H5 Properties, L.P., and EZJ Management, LLC for future campus expansion; and resolution regarding parity debt

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and President Henrich that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. Health Science Center - San Antonio, to:

a. purchase approximately 2.841 acres of land together with improvements at 8431 Fredericksburg Road, San Antonio, Bexar County, Texas, from WNLV, LTD.; H5 Properties, L.P.; and EZJ Management, LLC for future campus expansion;

b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendations; and

c. resolve in accordance with Section 5 of the Amended and Restated Maser Resolution Establishing The University of Texas System Revenue Financing System that:

- Parity debt shall be issued to fund all or a portion of the purchase price, including any costs prior to the issuance of such parity debt;

- Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;

- U. T. Health Science Center - San Antonio, which is a “Member” as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount of $15,000,000; and

- This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds

BACKGROUND INFORMATION

The property U. T. Health Science Center - San Antonio wishes to purchase consists of approximately 2.841 acres of land together with improvements at 8431 Fredericksburg Road, San Antonio, Bexar County, Texas. The improvements consist of a five-story office building built in 1986 containing approximately 93,000 rentable square feet and a paved surface parking lot and parking garage with a combined capacity for 398 vehicles. The office building is currently 73% occupied. The institution's information technology staff occupies 17,327 rentable square feet of space; the balance of the space, 54% of the total rentable area, is occupied by various third-party tenants. Only one tenant occupying 3,971 square feet holds a lease with a remaining term greater than one year.

This building is located approximately one mile from the institution's main campus at 7703 Floyd Curl Drive, San Antonio, Texas. The institution plans to use the property for future relocation of administrative offices as third party leases expire. The institution estimates the building will require capital replacement costs of $6 million over the next 10 years. With the purchase of this property, U. T. Health Science Center - San Antonio forecasts that it will obtain net savings in occupancy costs in excess of $11 million over the 20-year life of the Revenue Financing System debt to be issued for the acquisition.

Transaction Summary

Institution:	U. T. Health Science Center - San Antonio
Type of Transaction:	Purchase
Total Area:	Approximately 2.841 acres
Improvements:	Approximately 93,000 square foot, five-story office building with surface and structured parking facilities accommodating 398 vehicles
Location:	8431 Fredericksburg Road, San Antonio, Bexar County, Texas
Seller:	WNLV, LTD., a Texas limited partnership, H5 Properties, L.P.; a Texas limited partnership; and EZJ Management, LLC, a Texas limited liability company
Purchase Price:	Not to exceed fair market value as established by independent appraisals.
Appraised Value:	The appraisals are confidential pursuant to *Texas Education Code* Section 51.951.
Source of Funds:	Revenue Financing System bonds repaid out of clinical practice plan revenue.
Intended Use:	Future campus expansion

Please see map on the following page.


Hamilton Wolfe Rd
Subject Property
Floyd Curl Dr
Sid Katz Dr
UT Health Science Center
at San Antonio
Greehey Campus
Wurzbach Rd
Fredericksburg Rd
Medical Dr
UT Health Science Center
at San Antonio
Long Campus
Babcock Rd
Louis Pasteur Dr

7. U. T. System: Update on infectious diseases, including provision of specialized health care and current state of preparedness

REPORT

Executive Vice Chancellor Greenberg will introduce this update.