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FOR
HEALTH AFFAIRS COMMITTEE**

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Austin, Texas

Janiece Longoria, *Chairman*
David J. Beck
Christina Melton Crain
R. Steven Hicks
Jodie Lee Jiles
Nolan Perez

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

RECOMMENDATION

The proposed Consent Agenda items assigned to this Committee are [Items 32 - 63](#).

2. **U. T. Health Science Center - Tyler: Authorization to establish a campus expansion zone bounded by East 5th Street, the Union Pacific Railroad right-of-way, East Front Street, South Baxter Avenue, East Houston Street, South Porter Avenue, East Ferdell Street, and then extending east along the alignment of East Ferdell Street, and Golden Road, in Tyler, Smith County, Texas, for mission uses, including graduate medical education and clinical facilities**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents, on behalf of U. T. Health Science Center - Tyler, authorize establishment of a campus expansion zone bounded by East 5th Street, the Union Pacific Railroad right-of-way, East Front Street, South Baxter Avenue, East Houston Street, South Porter Avenue, East Ferdell Street, and then extending east along the alignment of East Ferdell Street, and Golden Road, in Tyler, Smith County, Texas. Maps showing the proposed expansion zone follow this item.

BACKGROUND INFORMATION

U. T. Health Science Center at Tyler (UTHSC-Tyler) proposes to establish a campus expansion zone in the area shown in the attached map, known as the "midtown" area of Tyler, Smith County, Texas. This area has been designated for a district development plan by the City of Tyler. It includes the main hospital of AHS East Texas Health System, LLC doing business as U. T. Health East Texas, an entity with which the institution is affiliated. In addition, Christus Health System operates a hospital and other medical facilities, and other medical uses and services are clustered in the area.

The expansion zone contains almost a square mile of property and accommodates different uses that may have varying priorities for visibility, access, hospital proximity, and property values. As drawn, the expansion zone includes a variety of well-trafficked street fronts, a concentration of medical facilities, the potential conversion of non-commercial property near the U. T. Health East Texas hospital, and a range of property values amenable to a variety of uses. Mapping the expansion zone to the City of Tyler's established midtown medical district eases communication, conceptualization and aligns the institution with the City, which may make possible City involvement in future endeavors. However, UTHSC-Tyler anticipates it will acquire only a fraction of the tracts within the zone.

Property acquired would be for mission uses. Potential initial acquisitions include properties to house a school of medicine, graduate medical education, and clinical research administration. The institution also envisions it may locate clinical facilities within the expansion zone.

Selection criteria for properties within the zone may include the following:

- Educational and/or research facilities are best located adjacent to or near the U. T. Health East Texas hospital, ideally close enough to allow skyway access.
- Existing structures for use as clinics or other institutional uses should be within walking distance or a short drive from the hospital campus and/or medical academic facilities established in the area by UTHSC-Tyler.
- Existing structures, if appropriate and available, should have adequate parking for patients, students, physicians, and staff, or be within a reasonable distance of parking controlled by the institution.
- Capital conserving, alternative acquisition methods will be favored, such as property trades, gifts, and grants from the City of Tyler, from AHS East Texas Health System, LLC, and from other sources.

The purchase of properties within an authorized expansion zone with a value in excess of applicable approved institutional contracting thresholds would require Board approval.





3. **U. T. Southwestern Medical Center: Approval of preliminary authority for a Doctor of Philosophy degree program in Computational Biology**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and the institutional president that the U. T. System Board of Regents approve:

- a. preliminary authority to create a Doctor of Philosophy degree program in Computational Biology; and
- b. notification of the proposal to the Texas Higher Education Coordinating Board.

BACKGROUND INFORMATION

The Graduate School of Biomedical Sciences at U. T. Southwestern Medical Center offers doctoral degree programs across a variety of basic science disciplines, including doctoral programs in Biological Chemistry, Molecular Biophysics, and Immunology, amongst others. The Graduate School proposes to offer a Ph.D. in Computational Biology. The desire to develop the proposed graduate program reflects the sustained growth in an existing special-interest training track within the graduate school, as well as the creation of the Lyda Hill Department of Bioinformatics in 2015. The track has been functioning as an interim forum to teach students from any of the graduate programs some key aspects of computational methods.

The proposed program is designed to train future researchers to fully utilize the mathematical and computational concepts, methods, and algorithms that are being applied to all areas of basic and clinical biomedical sciences. This training is designed to prepare graduates to be faculty at research-intensive universities, research scientists in industry and other settings, as well as leaders in clinical agencies, government, and industry, who wish to contribute as quantitative, analytical scientists to advancing the frontiers in biomedicine. The program will distinguish itself from the growing number of programs that seek to train students with a background in biology in the application of quantitative and analytical methods. The unique profile will be one of a computer science doctoral program located in one of Texas' premier academic medical centers. Accordingly, the program faculty will consist of a new cadre of scientists U. T. Southwestern Medical Center is recruiting primarily, but not exclusively, through the growing Lyda Hill Department of Bioinformatics. These scientists develop research excellence in fields such as computer science, applied mathematics, and machine learning with an eye towards applications in biomedicine.

The program of study will include formal didactic courses and electives in elements of advanced computer science, mathematics and statistics, as well as in applied areas thereof, such as machine learning, artificial intelligence, and computer vision, amongst other topics. Moreover, the program will offer interface courses as well as experimental workshops to immerse students in topics of biomedical research. And the program will encourage students to earn some credits in specialized courses in the biomedically-oriented partner graduate programs.

Only three other universities in Texas offer a Ph.D. in Computational Biology, two of which are in Houston: Baylor College of Medicine and U. T. Health Science Center - Houston. U. T. Arlington in north Texas is the third. Over the last five years of data available through the Integrated Postsecondary Education Data System (IPEDS), Baylor and U. T. Arlington have graduated a total of eight to 18 doctorates per year. In Fall 2017, U. T. Health reorganized its graduate programs to include this area; no students had earned a Ph.D. from this program within the time frame available in IPEDS. Currently, the program has about 40 students enrolled.

The existing special-interest track has been offered by the Graduate school since 2014. Fifteen students who have participated in the track have earned doctoral degrees. Four are completing Postdoctoral Fellowships, five are researchers in industry, and four are conducting research in academia, including two at the Assistant Professor rank. Two of the 15 students have been lost to follow-up. Thirty-nine students are currently in the track and have completed qualifying exams.

The Graduate School has the resources in place to support planning a proposal to offer a doctorate in Computational Biology. The experience with offering a special-interest track shows adequate student interest. Moreover, there is a significant breadth of opportunities for students in the computer and mathematical sciences who decide at the level of the graduate training to immerse themselves in biomedical applications while building further expertise in their primary field of study. With its distinct emphasis on training scientists in advancing theory and application of computational biology the program would not duplicate existing programs. Moreover, the existence of this program will be essential for U. T. Southwestern Medical Center to continue its growth in bioinformatics and biomedical data science and thus stay abreast of the fast-paced developments of analytical capacity in biomedicine.

Once preliminary authority has been approved, a request to establish the degree program will be submitted to the U. T. System Board of Regents and the Texas Higher Education Coordinating Board.

4. U. T. System: Approval to distribute a portion of The University of Texas System Professional Medical Liability Benefit Plan premium returns and approve rates for the Plan

RECOMMENDATION

The Chancellor concurs in the recommendation of The University of Texas System Professional Medical Liability Benefit Plan (Plan) Management Committee, chaired by the Vice Chancellor and General Counsel and comprised of the Chair, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Academic Affairs, and the Executive Vice Chancellor for Business Affairs, after consultation with Milliman, Inc., actuary for the Plan, that:

- a. overall premium rates remain unchanged; and
- b. \$6 million in premiums be returned to the participating U. T. System institutions based on a methodology that considers each institution's losses.

The proposed distribution of \$6 million is set forth on the following page as Exhibit 1.

BACKGROUND INFORMATION

With the implementation of tort reform in 2003, the Plan Management Committee (Committee) has consistently recommended significant reductions in total Plan assets to bring the reserve levels to those generally accepted by the industry. The Committee continues balancing Plan revenue from premiums charged and investment income with adequate capitalization from which to pay Plan claims, reserves for future claims, and administrative expenses. As part of this effort, Plan premiums were significantly reduced for several years immediately following tort reform adoption, and since 2007, the premium rates have either been reduced or unchanged. However, Plan premiums are adjusted annually for institutional loss experience.

For the coming year, the Committee recommends maintaining overall premiums at the current rates. Based on Plan investment income and efficient management of claims, the Committee recommends a return to the contributing institutions of \$6 million so that excessive reserves are not maintained. The combination of unchanged rates along with this distribution should still allow for adequate capitalization of the Plan.

The methodology for distribution of \$6 million to participating institutions considers the proportion of each institution's payment into the Plan as well as each institution's loss experience. Thus, those institutions with higher claims receive lower distributions.

Since there are remaining funds previously designated for U. T. efforts in patient safety enhancement through collaborative projects, as identified by the Executive Vice Chancellor for Health Affairs, no additional funds are recommended for such purposes for this fiscal year.

Exhibit 1
The University of Texas System Professional Medical Liability Benefit Plan
Proposed Distribution of Plan Returns
 FY 2020

<i>Institution</i>	<i>Premium Paid</i>	<i>Claims Expense</i>	<i>Net Contribution Amount</i>	<i>Rebate based on Net Contribution</i>
	<i>2018-2020</i>	<i>2018-2020</i>		
UT Arlington	7,521	-	7,521	2,246
UT Austin	480,376	153,915	326,461	97,481
UT Dallas	5,165	1,246	3,919	1,170
UT El Paso	948	-	948	283
UT Rio Grande Valley	931,915	35,035	896,880	267,807
UT San Antonio	4,431	-	4,431	1,323
UTSWMC	7,200,125	3,245,463	3,954,662	1,180,857
UTMB	4,631,292	2,534,107	2,097,185	626,217
UTHSCH ¹	10,901,361	3,475,270	7,426,091	2,217,420
UTHSCSA	5,142,752	1,917,291	3,225,461	963,118
UTMDACC	3,695,062	2,030,361	1,664,701	497,078
UTHSCT	541,496	55,895	485,601	145,000
Subtotal	\$ 33,542,444	\$ 13,448,583	\$ 20,093,861	\$ 6,000,000

¹ UTHSCH Premium includes premium collected from the Med Foundation in FY 2018 and FY 2019.

TOTAL DISTRIBUTION **\$ 6,000,000**

5. U. T. Health Science Center - San Antonio: Discussion and appropriate action regarding approval of proposed paid leave program

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 the institutional president that authorization be granted by the U. T. System Board of Regents to approve and/or authorize the following items:

- a. Approve the adoption of the proposed comprehensive leave program to be implemented during Fiscal Year 2021, as set forth on the following pages.
- b. Authorize U. T. System through the Office of Business Affairs, Office of Health Affairs and Office of the General Counsel to take all steps necessary to meet the requirements of *Texas Education Code* Section 51.961(h), including the negotiation and execution of documents.

BACKGROUND INFORMATION

Texas Education Code, Section 51.961, authorizes the governing board of a university system to adopt a comprehensive leave policy that applies to employees of any component institution of a university system. A leave policy adopted by the governing board may combine state authorized vacation, sick, and holiday leave into a paid leave system that does not distinguish or separate the types of leave to be awarded and may award leave in an amount determined by the governing board to be appropriate and cost effective. Further, the leave policy must include certain provisions that address the effect of the policy on the rights, duties, and responsibilities of employees and employers. Specifically, the policy must include provisions for the payment and direct transfer of accrued leave.

As required by Education Code 51.961(h), prior to implementation, reasonable efforts will be made to enter into a memorandum of understanding with the Office of the Auditor, the Employee Retirement System of Texas, and the Texas Higher Education Coordinating Board regarding awards of accrued leave for the purposes of retirement and any other issues of concern related to the implementation of the policy. Accordingly, the Regents are further asked to authorize The University of Texas System with the assistance of U. T. Health Science Center - San Antonio to negotiate and enter into a memorandum of understanding consistent with that requirement.

The proposed leave program is comprised of four primary components: (1) a bank of Paid Time Off (PTO) days; (2) an Extended Illness Bank (EIB) of days; (3) Family/Parental Leave Program; and, (4) Paid holiday schedule and floating holidays.

The PTO bank is designed to provide paid time off for an employee's discretionary use. The objective of the EIB is to provide income replacement through paid leave due to the serious illness of an employee or dependent. The Family/Parental Leave Program will expand employee eligibility to use family/parental leave. The holiday-related provisions will establish a holiday schedule and also provide flexibility for employees to meet operational needs.

No appreciable cost impact is anticipated with implementation of the alternative paid leave program. Under implementation of the program, current leave balances will be combined and deposited into both the PTO bank and EIB, as applicable. Accrual rates for each bank are formula-driven based on an employee's years of service. Both PTO and EIB may be subject to accrual caps. Provisions for annual carry forward of bank balances, payouts, and direct transfers of balances to other state employers will be provided for in the program design.



July 10, 2020

Proposal

The University of Texas Health Science Center at San Antonio (UTHSCSA) proposes to submit for approval of The University of Texas System Board of Regents (Board of Regents) a comprehensive leave policy pursuant to the authority of Texas Education Code, Section 51.961 that authorizes the governing board of a university system to adopt a comprehensive leave policy that applies to employees of any component institution. A leave policy adopted by the Board of Regents may combine state authorized vacation, sick, and holiday leave into a paid leave system that does not distinguish or separate the types of leave to be awarded and may award leave in an amount determined by the governing board to be appropriate and cost effective. Further, the leave policy must include certain provisions that address the effect of the policy on the rights, duties, and responsibilities of employees and employers. Specifically, the policy must include provisions for the payment and direct transfer of accrued leave.

With approval of the Board of Regents, UTHSCSA has an opportunity to enhance the value of its leave program by restructuring the delivery of its paid time off benefits that is not only appropriate but cost effective. UTHSCSA determined that the objectives of a comprehensive leave program would include paid leave benefits that would:

- Comply with Texas Education Code, Section 51.961;
- Compete in the national, state and local markets;
- Enhance recruitment and retention strategies;
- Enhance the health and wellness of employees by promoting the use of paid time off;
- Allow for greater flexibility in the application of leave time;
- Provide a more inclusive and equitable approach in the application of leave;
- Provide for improved cost-effective measures; and
- Focus on individual accountability and ownership.

Proposed Comprehensive Leave Program

To accomplish these objectives, UTHSCSA proposes to adopt a comprehensive leave program comprised of the following categories:

- Paid Time Off (PTO) bank;
- Extended Illness Bank (EIB) of days;
- Family/Parental Leave Program; and
- Paid holiday schedule and floating holidays.

Additional details for each category of leave include:

- Paid Time Off (PTO) bank based on years of service to recruit and retain highly-qualified individuals
 - o The PTO bank is designed to provide paid time off for an employee's discretionary use.
 - o With certain limitations for new employees, employees would have access to use their full amount of PTO at the start of each fiscal year.

- Extended Illness Bank (EIB) of days
 - o The objective of the EIB is to provide income replacement through paid leave due to the serious illness of an employee or dependent.
 - o Employees may be required to use 2 days of PTO prior to accessing their EIB.
- Family/Parental Leave Program
 - o The program will expand employee eligibility for family/parental leave and provide greater flexibility for employees to take leave for family/parental reasons.
- Paid holiday schedule and floating holidays
 - o A set holiday schedule will allow employees the ability to plan year after year, knowing the established schedule. Floating holidays serve the interests of diversity, equity, and inclusion by allowing employees time off to recognize religious or cultural holidays that may not be included in the set holiday schedule. Additionally, allowing floating holidays provides flexibility in scheduling to meet operational needs.

With the implementation of the proposed program, current accrued leave balances will be combined and deposited into both the PTO bank and EIB. Going forward, accrual rates for each bank are formula-driven based on an employee's years of service. Both PTO and EIB may be subject to accrual caps. Provisions for annual carry forward of bank balances, payouts, and direct transfers of balances to other state employers will be provided for in the program design. For example, upon termination of employment, an employee may be eligible for a payout of leave accrued prior to the implementation of the comprehensive leave policy but not for PTO granted under the policy.

UTHSCSA anticipates implementing the program on a rolling basis during Fiscal Year 2021. The institution's first priority is to implement the holiday leave component effective September 1, 2020.

UTHSCSA will develop the final policy details in cooperation with and subject to approval of the U. T. System Office of General Counsel and Office of Health Affairs.

6. **U. T. System: Update on impact of the Coronavirus (COVID-19) pandemic on operations at U. T. health institutions**

DISCUSSION

Chancellor Milliken and Executive Vice Chancellor for Health Affairs John M. Zerwas, M.D. will provide a brief update on the impact of the Coronavirus (COVID-19) pandemic on operations at U. T. health institutions.