

Dr. Stobo's handout at 8-10-06
BOE meeting Re: Item 16, Mtg. of the Board

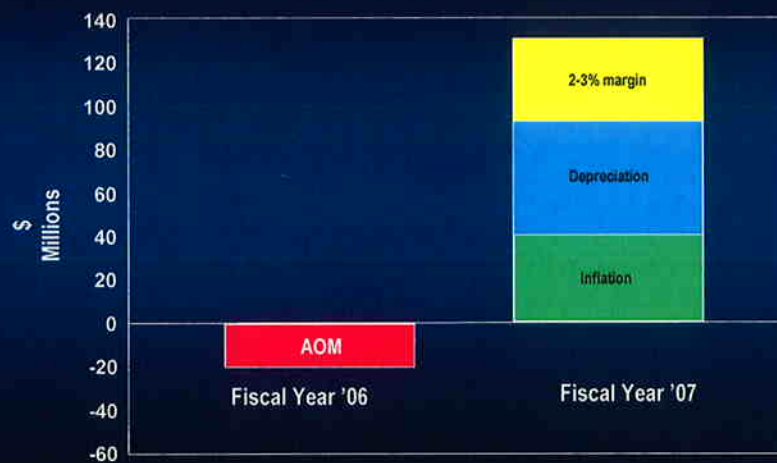
UTMB's Operations Improvement Plan: A Presentation to The University of Texas System Board of Regents

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President
The University of Texas Medical Branch

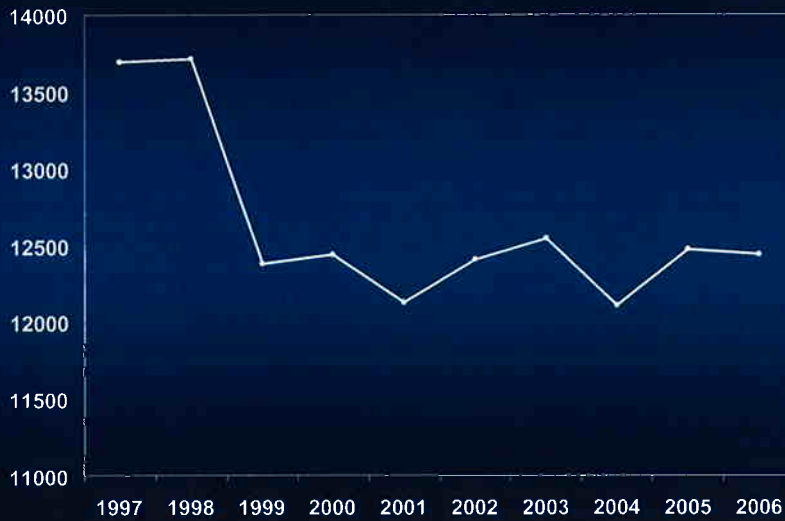
August 2006



UTMB's Operating Budget

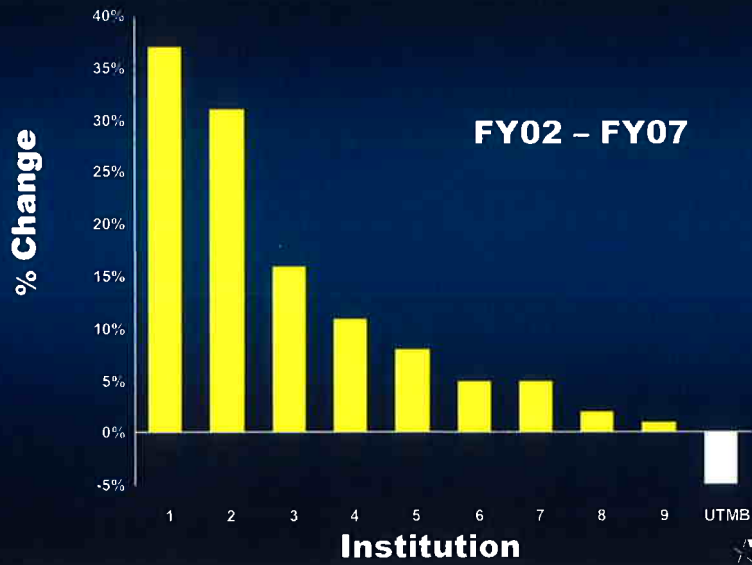


UTMB FTEs



UTMB

Total Appropriated General Revenue: Texas Health Institutions



UTMB

The Navigant Engagement

- Over a 10-week period, Navigant (NCI) “benchmarked” academic, clinical and support programs at UTMB
- Where UTMB was below the benchmark, NCI provided savings opportunities
- NCI’s recommendations served as a framework for UTMB’s operations improvement plan



Components of UTMB’s 3-Year Financial Improvement Plan

- Reduce expenses based on productivity and benchmarks
- Enhance revenue:
 - Focus on service excellence
 - Increase clinical volumes/alter payer mix, focusing on programs of excellence, Victory Lakes ambulatory care facility and new specialty tower
- Expand performance-based compensation to faculty and A&P staff



Status of Operations Improvement Plan

- New governance group created: Strategic Executive Council (SEC)
- All entities' initial plans for FY07 have been reviewed by SEC
- FTE reduction: 1300 recommended
 - Status: 747 approved; 540 done
- Faculty compensation plan under vigorous discussion



FY07 Priorities

- Implement financial improvement plan
- Implement strategic clinical plan
- Begin construction of:
 - Victory Lakes ambulatory care building
 - Specialty care inpatient tower
- Advance legislative agenda

