

---

---

TESTIMONY OF

---

**PRESIDENT DAVID L. CALLENDER, MD, MBA, FACS**

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

*before the*

**Hearing  
of the**

**House of Representatives Select Committee  
on Hurricane Ike Devastation**

JANUARY 7, 2009

GALVESTON, TEXAS

Mr. Chairman, members of the Legislature, members of the Galveston community, I appreciate this opportunity to share UTMB's perspective on Hurricane Ike and to make our best case for continued support of Texas's first academic health center.

Since Hurricane Ike came ashore almost four months ago, not a week has passed without a news story or editorial about the University of Texas Medical Branch at Galveston. Some – such as stories about the fragility of our patient care complex and the recent and painful reduction in force – highlight the challenges this great institution has faced in the wake of the storm. Most – such as those about the safe evacuation of almost 500 patients, the resumption of classes within two weeks of the hurricane, and the delivery of our 1,000th baby – speak to the extraordinary heart, selflessness and resolve that exists among our faculty, staff and students. And many have underscored the vital role UTMB plays in the health and economic vitality of the island, county, region and state.

In short, the people of Texas receive an excellent return on the investment they have been making in UTMB for more than 117 years.

A study prepared in 2007 by University of Houston-Clear Lake faculty underscores the significant impact UTMB has on the economies of the island, county, Houston-Galveston region, Southeast Texas and the state as a whole. Direct and indirect spending by the institution and its employees resulted in more than \$500 million in business volume for the Houston-Galveston region and more than \$1 billion for the State of Texas in fiscal year 2006. UTMB's direct and indirect impact on household incomes during that same period amounted to more than \$828 million for the region and more than \$1.1 billion for the state.

UTMB's life sciences research programs – including an obstetrics and gynecology program ranked 3rd in the nation by the National Institutes of Health, an internationally renowned infectious diseases research program, and a health professions school ranked 8th in NIH funding – last year attracted almost \$154 million in research funding, including more than \$106 million from the NIH. The university is home to the \$174 million Galveston National Laboratory, the only national laboratory in Texas and one of only two in the nation dedicated to the safe study of infectious threats to human health.

As home of the state's first medical, nursing and health professions schools, UTMB has helped define Texas medicine for well over a century. We have trained more Texas physicians than any other medical school. In fact, UTMB trained 10 percent of the 47,000 physicians licensed to practice in Texas today and 22 percent of those who trained at a medical school in Texas.

We also trained 30 percent of the physician assistants licensed to practice in the state. In addition, we have a long history of training a diverse workforce to care for an increasingly diverse population. The first African American to attend medical school in Texas was a UTMB alumnus, and our medical school class of 2011 accepted more students from underrepresented groups than any other medical school in the state.

Our medical and nursing students routinely surpass national averages and pass rates on board exams. Our Physician Assistant Studies Program is ranked 11th in the nation by U.S. News & World Report, and our Rehabilitation Sciences program is ranked 8th nationally by the Chronicle of Higher Education.

It is worth noting that UTMB's School of Health Professions has launched several training programs throughout the state, providing distance education and consultation until the home university could operate its program independently. These include UT-El Paso's occupation and physical therapy programs, as well as UT-Pan American's physician assistant studies program. We are currently working with UT-Tyler and UTHSC-Tyler to offer a B.S. degree in clinical laboratory sciences. The School of Nursing's award-winning distance education programs help address a critical shortage of nurses in rural areas throughout Texas. In addition, its Ph.D. program is helping to increase the number of doctoral-level nursing faculty needed to train the nursing workforce of tomorrow.

At the heart of UTMB's educational philosophy is the principle of interprofessional communication – teaching students to work as part of a health care team for the benefit of patients and their families. Formalized as a program called “synergy,” this was a key factor in the recent 10-year reaffirmation of UTMB's accreditation by the Southern Association of Colleges and Schools.

Prior to the storm, UTMB was the third largest hospital in the Houston-Galveston region and maintained the leading Level I Trauma Center in the nation based on survival rates. We may look different today, but despite Hurricane Ike, we continue to operate a highly regarded neonatal intensive care unit and we remain an international leader in burn care and research – a critical service in a region so heavily invested in the petrochemical industry. We also have several programs of excellence aimed at combating chronic diseases such as organ failure, cardiovascular disease and diabetes – leading causes of death in the United States.

UTMB took a considerable hit from Hurricane Ike. Costs related to damages and lost revenue were initially estimated at \$710 million. Recovery began as soon as the storm passed and, if one looks at other communities and health care institutions stricken by disasters of this magnitude, it is safe to say that few have restored core programs and facilities as quickly as UTMB. We credit our rapid progress to the invaluable support of local, county and state officials who were instrumental in our efforts to prepare for, weather and recover from the storm.

Today, nearly four months after the hurricane, we have a more complete picture of the losses we incurred and have begun taking critical steps to address them, including a very difficult but necessary reduction in force. In so doing, we have reduced our projected business losses from \$276 million to \$169 million. FEMA estimates that UTMB has \$667 million in expenses for repairs and mitigation, and another \$120 million in clean-up costs, the majority of which are reimbursable. UTMB's recently completed Galveston National Laboratory – which sustained virtually no damage during Hurricane Ike – is proof that one can build a facility, even on a barrier island, that is capable of withstanding Mother Nature's worst. We are confident that with access to necessary funding, the campus as a whole will be able to sustain another storm equally well.

Our challenge is clear and UTMB is up to the task, but this is bigger than any single institution can tackle on its own. As a result, we intend to ask the 81st Texas Legislature for an emergency appropriation to offset the estimated \$169 million in projected business losses. We will also request \$167 million to cover the state's share of our FEMA-estimated capital expenses, and we will work to ensure access to the remaining \$500 million – which FEMA will reimburse in full – so that we can begin the process of repair and mitigation in earnest.

In addition, as part of our Legislative Appropriations Request for the biennium, we will ask for a baseline appropriation of \$134 million for our complex of hospitals and clinics. Although UTMB's current configuration is admittedly smaller than it was during previous legislative sessions, we hope the Legislature agrees that such a major provider of health care in the state should not be disadvantaged during its initial recovery phase so soon after a major disaster. By the 82nd legislative session, the ultimate configuration of UTMB's clinical enterprise will be clear and we will adjust our appropriations request accordingly.

For more than a century, the State of Texas has invested generously in the University of Texas Medical Branch at Galveston. It has seen a tremendous return on that investment through a diverse and highly trained health care workforce, breakthroughs in the understanding and treatment of illness and injury, and a comprehensive clinical enterprise and economic benefits that are vital to the island, the region and beyond. Your support at this critical juncture will secure UTMB's continued ability to foster better health – and a better life – for the people of Texas for generations to come.