

May 29, 2024 Campus Briefing Transcript

Daniel Podolsky, M.D.:

Good morning. I'm Dr. Daniel Podolsky, President of UT Southwestern Medical Center, and I welcome all of you who are joining me this morning for this last quarterly briefing of the current academic year.

I want to begin by expressing my appreciation on behalf of the whole campus to the many members of our community who responded to the intense storms of yesterday to keep the campus open and safe for all of those who come to work here or come to seek care at one of our health care facilities. A special thank you to our Facilities team, the Office of Safety and Business Continuity, our University Police, and to the members of our Health System. As with intense winter storms, they rise to the occasion, and I'm deeply grateful for all of their efforts. I hope all of you who may have been impacted in your lives are now recovering from whatever you experienced at your home and that we can look forward to sunnier days ahead.

With that, I'd like to take a moment or two to highlight some new arrivals either here on the campus or soon to begin in important leadership roles.

I am certainly glad to share the most recent news from our Provost and Dean of the appointment of Dr. Tarek Rajji as the new Chair of the Department of Psychiatry, who will begin in that role and as a member of the Peter O'Donnell Jr. Brain Institute effective Oct. 1. Dr. Rajji joins us from the University of Toronto, where he is Professor of Psychiatry, and also from the Centre for Addiction and Mental Health, the largest mental health teaching hospital in Canada. He's an authority, among other things, in geriatric psychiatry, and this will be sort of a homecoming for him as he completed his residency and fellowship training years ago here at UT Southwestern. I want to thank Dr. Carol Tamminga for her many years of leadership as she hands over the baton at a particularly important moment for us in this arena with our commitment to advance the understanding and treatment of brain disease under the aegis of our Peter O'Donnell Jr. Brain Institute and with the coming opening of the Texas Behavioral Health Center at UT Southwestern, the first state psychiatric hospital in this region of North Texas.

I also am pleased to acknowledge the appointment of Dr. Julie Pfeiffer as our next Chair of the Department of Microbiology. Julie has been a long-standing member of our faculty, having arrived in 2006 and having carried out important studies expanding our understanding of the pathogenesis of viral diseases. Julie has served very ably as our Interim Chair since her predecessor, Dr. Michael Norgard, retired after many years of effective leadership of the Department. We both thank Julie for her service to date and for the years ahead in which she will provide the leadership on an ongoing basis for our Department of Microbiology.

Finally, I am pleased to note that Dr. Alyssa Hasty will be joining us, coming to us from Vanderbilt University, to serve as our Senior Associate Dean for Faculty Affairs and Career Development. Alyssa begins Aug. 1 and succeeds Dr. Dwain Thiele, who has served in that important capacity for many years. Dr. Hasty is herself an authority in the study of immunometabolism and understanding in that context the immune system's role in obesity-accelerated diseases, such as cardiometabolic disease and cancer.

So I think we are indeed fortunate to have either attracted or retained such outstanding academic leaders for our institution and thank the Provost and Dean, Dr. Andy Lee, for his overall leadership as well as the Search Committee Chairs who have served to find such outstanding candidates for these positions.

I'd like to now spend a moment or two on where we are in this fiscal year as we look toward its end on Aug. 31 and then look ahead in formulating the budget for fiscal year '25. I'm pleased to say that through the hard work of the entire campus community that we remain ahead of our budget, which had planned for a very modest positive margin. The positive margin is still modest but does surpass what we had budgeted for. I know that's only been possible through the discipline throughout the University in controlling expenses and delivering on all of the expectations of our various stakeholders in our mission.

As has been true from one year to the next, looking into FY25 we see a challenging budget environment. This is the convergence of a number of factors, not the least of which, everybody will appreciate, is the impact over the past couple of years of inflation, even if we see signs of that overall moderating, and pressures on our various revenue sources – flattening of the National Institutes of Health budget, an important source of funding of research, and pressures on reimbursement. For example, our Medicare and Medicaid programs, which are an important part of the payer mix at UT Southwestern, have increased in reimbursements at a rate of about 1% a year, clearly well below inflation.

So with those pressures, we are still determined to find a plan that gets us to a modest positive margin. Certainly our highest priority while setting that objective is to ensure that we have a merit program that recognizes the hard work and our ability to acknowledge the contributions being made across the entire campus. I really greatly appreciate the hard work that has gone on already by our leaders across all sectors of the campus working with their teams – I'll say a special thanks to Holly Crawford, our Executive Vice President for Business Affairs – but really right down to each of the department leaders and the staff who are working with them. We'll continue to apprise you of plans for the budget for next year as those take final shape between now and the end of the current fiscal year.

With that, I want to certainly take time this morning to talk about what I consider one of the most important developments in the course of this current year, and that is a fundamental restructuring, reshaping of our comprehensive leave program, which has been in place for many, many years. During that time, we have heard from employees, both those who are new to UT Southwestern and those who have been here for many years, interest in seeing some different features in how we organize our comprehensive leave program. I want to take a minute to describe the elements of that change to our PTO program, to put it in its more common vernacular, PTO being for paid time off.

I know many of you submitted questions related to Your Time Away, as we have termed this new program, and I'll take a few minutes to talk broadly about it. I'll also address some of your questions during the question-and-answer section after I complete my update here.

I first want to encourage everyone to participate in the upcoming employee sessions, online and in person, where you can learn more about the new program from our Chief Human Resources Officer, Jeremy Falke. And that's an opportunity to ask your question. The first of many sessions to come this summer is today at noon, and a second one will take place tomorrow, May 30, at 9:30 a.m. I want to acknowledge the really great work by Jeremy, together with our EVP Holly Crawford, and their teams for the leadership to put together this program, which as its foundation included listening to you through many different forums over the past several months to come up with a design that we believe addresses in some very significant ways what we've heard you'd like to see.

I do note that Your Time Away takes into account the feedback and concerns that we've heard and believe that this new plan provides each person working at UT Southwestern with much more control of how you use your paid time off and with some new benefits that should help us as an institution in our recruitment efforts. Now the plan has four main components, all of which will go into effect with the new fiscal year. That is Sept. 1.

First, we have simplified time off by having only one accrual type, and that is paid time off, which is accrued each pay period at a rate based on your years of service. This time off can be used for both personal time or sick time or medical time away, providing one of those instances of the flexibility we're trying to create. Sick and vacation accrual balances as of Aug. 31 of this year, that is in the current program, will be converted to prior sick and vacation banks and will be available for use once employees have exhausted the time accumulated in the new PTO program. So let me be clear: For those who will understandably wonder, "What happens to all the time I've accumulated," you will not lose it. It will continue to be banked for you as we then transition and accumulate further time in the new program.

So that's the first element of the program. The second is the holidays. There will be nine set holidays, which are listed on the Your Time Away webpage, and also three floating holidays, which will be deposited and available for use at the beginning of each fiscal year. Our hope in creating now three floating holidays is that too creates additional flexibility for our employees.

The program also includes as a third element a new Paid Parental Benefit that pays eligible employees 50% of their base salary for up to six weeks after the birth or placement of a child. To qualify for this benefit, employees must have three months of continuous service at UT Southwestern. As for other features of this new program, additional details are spelled out on the website.

Finally, as the fourth element, the program includes a new employee-funded Medical Hardship Leave Pool. This replaces the Catastrophic Sick Leave and Family Leave pools. The benefit can be taken for Medical Hardship Leave time to care for yourself or for a parent, spouse, or child. Employees can donate to the pool to give back to our community and help our colleagues who are in need, and in this new system that can be done without any tax implications, which was a complicating factor in our current system. Before I move on, I want to again encourage everyone to participate in the employee sessions, more of which will be announced, and reach out to your HR representative with any questions or concerns.

Now I'll take a few moments to provide some updates on our important investments in the future in the form of our capital projects. As you've heard me talk about in the past, we are on the cusp of proceeding with the construction of the new pediatric campus, which is in partnership with Children's Health, and you should see in the next days some of the personnel from the construction contractor on-site beginning to prepare the location for the construction of the hospital, which will formally begin somewhat later this year. But again, any day now, you will be seeing evidence of work going on on the site, which has now been made available to the contractors.

This is, as anybody who's heard about it will know, an enormous project, certainly the largest that we've undertaken at UT Southwestern and really one of the largest health care construction projects in the country. I would emphasize, for those who are wondering the "why" behind it, that this is a project that we see as rooted in necessity, and that is our obligation to be prepared to care for the growing number of children in North Texas. At the same time, not only are we seeing the growth in demand, but we also recognize that the current Children's Medical Center facility here in Dallas, which was constructed up to

60 years ago, is no longer really suitable for what will be the technologies necessary for their very best care for children in the future. And so given that and without a really practical means to expand the capacity on its current site, we have come to the decision together with Children's as partners to construct this new facility.

I certainly hope you shared in the exciting and great news of the first very large gift that was committed by our generous community, in this instance by Jean and Mack Pogue and their family, toward construction of the hospital. The \$100 million gift, which was announced just earlier this month, is an important step toward the ultimate success of this project. Jean and Mack Pogue have been long-standing friends of UT Southwestern and of Children's in supporting the important work that we do as well as the broader needs of the community, and we're deeply grateful to them. In recognition of the gift, the grounds that will surround the facility and on which the new campus will rise will be known as Pogue Park. I look forward to continuing to provide updates as we progress on this important project in the months and years ahead.

At the other end of the campus, toward downtown, you see the rapid progress being made on the construction of the Texas Behavioral Health Center at UT Southwestern. It remains on track to be completed at least in its adult wings, to provide 200 inpatient beds for those with serious mental illness, by next summer and to open operations in the several ensuing months beyond that. The pediatric wing, which will serve nearly 100 inpatients, will be completed approximately six months after the adult wing. I'm very pleased that that continues to be on course and grateful for the work by so many have contributed to that, but I'll say especially Dr. Hicham Ibrahim and Becky McCulley, who have spearheaded the leadership of the project for UT Southwestern in partnership with the Health and Human Services Commission of Texas.

Finally, with respect to these investments, I note that work is on pace for the renovation of the Zale Lipshy Pavilion of Clements University Hospital, and we expect to be returning services there in a graded fashion at the end of this calendar year.

And I guess "finally, finally," I'll take note that we are moving along in planning our ability to serve the needs of patients in Tarrant County and Fort Worth even closer to home by, as a next commitment to that community, the development of a radiation oncology facility to complement the services we're already providing at the Moncrief Cancer Institute and the Moncrief Medical Center in Fort Worth. And I look forward to updating you on the progress of those projects as well in the coming year.

I will take this opportunity to acknowledge two really important milestone events on the campus, which are now in the rearview mirror, but mark an important part of the annual cycle here at UT Southwestern, and that is our commencement exercises. On May 8, 228 of our fourth-year students received their diplomas with the good wishes to go on to the next phase in their journey to become fully prepared physicians through residency, training, and beyond. It was a wonderful occasion, and we congratulate all of those now graduates and their families, of course.

And the following week, on May 16, I had the pleasure of presenting diplomas to 80 of our doctoral and master's students in our own Tom and Lula Gooch Auditorium. They heard inspiring remarks from the commencement speaker, our colleague Dr. Russell DeBose-Boyd, Professor of Molecular Genetics. And we wish them well too in their next step in their journey to contribute to improving health through research advances.

With that, I want to mention something that may have already come to your attention, but if not yet, soon to be, and that is a launch of our national advertising campaign. So you will be seeing on TV and in other fora messages that have been developed, we hope, to convey the excitement of the work that goes on in this campus across all aspects of our mission. We want not only to get the word out here in North Texas, but across the country. So as you travel, you may hear the same messages in other cities across the country – Boston, Chicago, Los Angeles, New York, Philadelphia, and San Francisco. And you might ask yourself why, and certainly in there is the pride I think we can all take in what you have collectively accomplished. But we want the word to be out in order to attract the talent, which is the lifeblood of UT Southwestern, for the years ahead. We want to be sure the very most talented learners, the most talented staff, the most talented faculty want to come to UT Southwestern and work, and this is our opportunity and our plan to do so.

So I welcome your feedback on that as you see it. Hopefully you will feel it captures the spirit of UT Southwestern and take pride in seeing yourself in what those messages have to say.

I'll conclude my update with a few coming attractions as I usually do. One is just around the corner and, in fact, begins tomorrow at noon, where we will in conjunction with the UT System host the first UT System AI Symposium in Health Care. It will extend through Friday. It will highlight too some of the really innovative work going on this campus and across many of the components of the UT System. We'll also bring in national leaders to really have a chance to, I think, stimulate all our thinking about the ways AI can transform our ability to provide care, to advance research, to provide our education and training. I certainly encourage you, if you can, to come to Gooch Auditorium. ... And if you can't be there, perhaps you can join in online as it will be a livestream. I want to thank in particular Dr. Eric Peterson, our Vice Provost and Senior Associate Dean for Clinical Research, who has led the planning from the UT Southwestern perspective for this, but also all the teams – special events and others – who have planned for what I'm sure will be a great success.

I will conclude in terms of coming attractions by making note of the important opportunity we will have in just a few weeks to acknowledge the great work done by employees at UT Southwestern with our annual Employee Recognition Week. It takes place the week that begins June 10. There will be a variety of events and programs as we have each year. On June 12, we'll honor employees being inducted into the Quarter Century Club, meaning they've been here at UT Southwestern for 25 years, and at the same time acknowledge those who reach a new milestone, whether that's 30, 35, 40, or 45 years of service. It's always an inspiring experience for me to see the dedication so many have brought to their work at UT Southwestern.

I'll note that June is also Pride Month and our Offices of Institutional Opportunity and Student Empowerment and Engagement will host the annual Pride Brunch and Parade Celebration. It takes place on Sunday, June 2, beginning with the brunch and celebration on McDermott Plaza before gathering at Fair Park to walk in the 2024 Alan Ross Texas Freedom Dallas Pride Parade.

And “finally, finally,” as a coming attraction, we are just about at the point of the year where we open our nominations for the Leaders in Clinical Excellence Awards. These awards recognize faculty and their teams across all the sites where we provide care, whether in our own University facilities or in our partners', for the exceptional contributions that they make to the care of our patients, to the education and training of our students, and to the advancement of UT Southwestern overall. I hope you'll look for the announcement when we open the nominations and that you then take time to consider nominating someone or some

teams you feel embody all of that commitment to excellence that these awards seek to recognize.

And with that, I'll conclude my update and turn to Jenny Doren as I have at each and every briefing to pose the questions that we've heard from you.

Jenny Doren, M.B.A., M.S., Vice President for Communications, Marketing, and Public Affairs:

Thank you, Dr. Podolsky. Glad to be back. No briefing would be complete without a question about parking. When we last met, we fielded questions about the staff garages at Clements University Hospital, and now people are curious if more spots will be added on North Campus.

Dr. Podolsky:

I'm convinced that parking will forever be the final frontier for us, and I appreciate the question. I understand that parking can be a source of frustration for many of you, particularly around our various construction projects, as there's been the need to adapt during those periods. I appreciate your continued understanding as we prioritize long-term solutions.

We are aware of the parking challenges on North Campus and have plans to secure additional parking spaces in the area. Once these options are in place, they will be communicated. I'm confident there will be a direct positive impact to North Campus. With all of the activity already on North Campus, as you are aware, and as I've touched on already in this briefing, we will be constructing a very large pediatric campus. I want to assure you that that campus has included anticipation of the full parking needs to be sure that we are ahead of where we need to be as we continue to develop the North Campus in the years ahead. I appreciate everyone's understanding and patience as we work on those solutions.

Jenny Doren:

In addition to parking, sustainability also a topic of high interest. As we look at our sustainability efforts, as those continue on campus, there was a question about the status of our recycling and green initiatives, including what some people may or may not be familiar with called Green Champions. Can you provide an update on those efforts?

Dr. Podolsky:

Yes, first to acknowledge it and then to describe it. For those who have familiarity with it, they may also be aware that there's been a brief hiatus on some of its efforts since the departure of our institution's Sustainability Coordinator. So for those who are unfamiliar with the program, Green Champions is a dedicated group of volunteers who support our institution's sustainability efforts and programs, and we are deeply grateful for them.

We recently hired a new Sustainability Coordinator who starts next week and will resume and manage this and other sustainability programs on campus. We remain committed to our recycling efforts, which have continued during the search for the new Sustainability Coordinator. Each year, our institution successfully recycles approximately 300 tons of materials, including paper, plastic bottles and containers, cardboard, glass, and aluminum cans. And they are collected in blue bins, which our custodial team empties into large recycling dumpsters. I would note that an important effort that went on in this past year was a work group that was convened at my request, led by Holly Crawford, that

looked at broadly sustainability and resilience. And as we are developing our budgets for next year, we are looking for the stepwise investments we need to make – and it's timely to say it this morning – to be able to withstand particularly severe weather and continue our operations and at the same time our commitment to being a responsible institution when it comes to sustainability.

Jenny Doren:

Sticking with Business Affairs, we spoke about this one in the past as well, but some colleagues continue to raise concerns over housekeeping issues, including the collection of trash and recycling. Can you share any updates and whether we are perhaps exploring a different company to partner with?

Dr. Podolsky:

Well, I certainly am well aware that this has been a difficult year in terms of seeing the level of attention to trash collection and other custodial services as we move from our prior vendor to the current one. And we are working with this new company very closely, again led by Business Affairs, to be sure that they have the staffing, both in numbers and in training experience, to deliver on the standards that everybody on the campus should expect for their own work area.

Just to provide a little context, why did we switch contractors? Well, in our previous contractor, we came to recognize that there were deficiencies in those services in both nonhospital and mostly nonclinical parts of the campuses – a lot of that had to do with the staffing that was being used – and that required us to change vendors.

We do not have plans to change from the current vendor, in part because there are very few, if any, options of those who have the capacity to undertake the service of such a broad, expansive institution and, as is a practical reality, to do so within the means of our budget to support it. So we're working weekly with these vendors to, as I've said, be sure that there are adequate staffing levels, that there is adequate training and stability in that workforce, which we believe would provide the path to delivering the service that, as I have already said, everybody on the campus should expect.

Jenny Doren:

Appreciate the update as well as your honesty. As you mentioned in your remarks, we received a handful of questions related to Your Time Away. There seems to be some confusion about retirement qualifications and post-retirement benefits. Are there any changes being made to the state's retirement policies?

Dr. Podolsky:

Before I answer that question, just to append a comment to my answer to the last question to say, for those who are concerned with the frequency of trash pickup or other [housekeeping issues], please call the Facilities service desk. And the number for that is 214-648-3375.

Now to the question: Are there changes being made to the state's retirement policies? The short answer is no. And to provide what was implicit in the question, but to be very direct about it, our retirement policies are in fact dictated by the UT System and the state and not something that is at the discretion of UT Southwestern as if it were a stand-alone institution.

UT Southwestern retirees may be eligible to enroll in medical, dental, vision, and life insurance with the retiree group insurance program after 10 years if hired after August 2003 and only five years if hired before 2003. You can participate as a retiree paying the same premiums that an active employee would pay. If only covering the retiree, the premiums would be zero, just like our employee-only coverage today.

And I encourage any employee with questions regarding retirement benefits, even those who may not quite be ready to retire, but to be prepared for that day when the time is right, I encourage you to reach out to the Benefits and Retirement Office, as our team is happy to discuss an employee's specific situation and answer any questions. And the number for that office, so it would be convenient to you, is 214-648-9830.

Jenny Doren:

Thank you for that. You were very transparent in your opening remarks about the budget. That said, multiple colleagues sent questions related to inflation and cost of living expenses. Can you comment any further about what UT Southwestern is currently doing to keep up with rising costs, specifically for our employees?

Dr. Podolsky:

Well, I'm mindful that we are all feeling the effects from rising costs and the impact of inflation, as has been the case now for at least a couple of years. We can certainly hope that the economic trends will get to a point where inflation is significantly moderated on an ongoing basis and there's less pressure than we continue to experience.

Our focus, as I said in my briefing earlier, is first and foremost to ensure that we're able to sustain our merit program so there is an opportunity to see an increase. I've described some of the forces that are making that a challenge, and I will add to my comments that in order to get to that merit, we will need to find savings across the University where there's an opportunity to do so. Many of our expenses are not controllable, such as contractual obligations that go up each year for licensing various software and the cost of our utilities, at least on a per-unit basis.

Now that's an example of where perhaps there are, on the other hand, ways in which we can find means to help ourselves by reducing our energy consumption. But we are faced with forces that are not discretionary as we put together a budget.

We do, as I say, prioritize both merit and, to the best of our ability, to meet the market forces, which obviously we're subject to as an employer and over time have done that to the extent possible and will continue to do that. Our Human Resources staff provide excellent analysis so that we can deploy the funds that we have available for that purpose to the greatest effect.

But that's not to say that we're able to do that across the board in addition to the planned merit program, because we want to start by seeing that everybody benefits from our ability to deliver on our mission and our efforts to provide the funding necessary to support that program.

Jenny Doren:

I'm glad to hear that. A few people are curious as to why our benefits no longer cover semaglutides for weight management, and are there negotiations to resume coverage in the new plan year?

Dr. Podolsky:

So here too I want to begin, not to sidestep responsibility, but just to provide the context in which I answer this question: And like the other benefits that I've touched on, the health care benefit and the determination of the premium is something that is not set at the discretion of UT Southwestern or, for that matter, any other single campus of the UT System. Rather, it is a decision made for the entire System by ultimately the Board of Regents, but by the leadership of the UT System in Austin.

So for the current fiscal year benefits plan, the UT System Office of Employee Benefits reviewed these GLP-1 medications. Semaglutides, for those who may not have recognized the name, is in that class called GLP-1 agonists, and they reviewed those for the weight loss indication, along with efficacy and outcomes data, cost, and other market plan design around inclusion of these drugs. The review included, at the System level, some physician experts in the weight loss space, including those from UT Southwestern. After that review, this decision was made to exclude these drugs for the weight loss indication only for this current plan year, with a commitment to continuously review all the components related to these drugs for potential inclusion in our benefits plan in future years.

So I appreciate how important this is to many of our employees, that these drugs have had important benefits as seen by the individual, but still the broad decision whether to include this within the context of, to be also candid, an acceptable premium for the overall health care benefit as a decision made by the System has landed where we are for the current year.

Jenny Doren:

Well, I'm going to squeeze in one final question and thank everyone for submitting all of these questions today. And that question is about a homeless encampment under I-35 at Empire Central, and if UT Southwestern is doing anything to help clean it up.

Dr. Podolsky:

I'm going to once more append a comment to my last answer because it's important that I don't leave others to wonder. The GLP-1 agents, including the semaglutides, notwithstanding the decision about their use for weight loss as the indication, are still covered for the treatment of diabetes. So to reassure those who are receiving those as part of the treatment of diabetes, that remains within the coverage of your health care benefit here at UT Southwestern and under the aegis of the UT System.

So to the question about the encampment, I too have noticed these. Those areas are really under the jurisdiction of the city of Dallas. Our University Police have a very strong working relationship with the city of Dallas and its homeless solutions and have successfully partnered with them over the years to address the various encampments that are close to our campus.

I do know from certainly personal observation that these encampments do pop up here and there. When they do, our UT Southwestern Police take note, alert the city, and work with them to really see those individuals find a place to relocate. But as the question implies, the work is ongoing because of the nature of the underlying problem of homelessness in our community and society. We hope that there could be a better long-term solution, but in

the meantime, we'll remain vigilant to see where these need to be addressed on our own campus.

Jenny Doren:

Dr. Podolsky, thank you so much as always for taking the time to answer our questions.

Dr. Podolsky:

Thank you, Jenny.