



**OKLAHOMA**  
University Hospitals  
Authority

# University Hospitals Authority

**FY 2026 Budget Hearing Presentation**

**Submitted by: Randy Dowell, CEO and Diana Galatian, CFO**

# Randy Dowell

## Chief Executive Officer



**The University Hospitals Authority was created to operate the University Hospitals on the Oklahoma Health Center campus in Oklahoma City and to ensure that the hospitals support the teaching and research missions of the University of Oklahoma.**

Founded in 1993, this agency originally had over 4,000 state employees managing the day-to-day operations of the University Hospitals. In 1997, the UHA Board proposed the privatization of the hospitals' management to the Legislature and Governor. Legislation was enacted to privatize the operations of the hospitals under the University Hospitals Trust (UHT). UHT entered into a joint operating agreement with a private hospital management company (HCA Health Services of Oklahoma) on February 7, 1998. The employees of UHA were transitioned to employment with the private company on February 8, 1998. UHA has zero employees today. The CEO of the Authority serves as an uncompensated member of the Board with the responsibility of carrying out administrative and fiduciary responsibilities of the agency. On February 1, 2018, UHT entered into a new joint operating agreement with an Oklahoma based 501(C)3 to manage the hospitals OU Medicine Inc. (DBA OU Health). In July 2021, the OU Physicians clinical practices were merged with OU Health.

Today, UHA manages no programs of its own. It serves as a conduit for appropriations for various entities such as OU Health, OUHSC, OHCA, University Hospitals Trust (UHT), Hearts for Hearing and the Oklahoma Dental Foundation.

# Agency Vision, Mission and Core Values

**Vision:** We are a component of the Medical Center of choice for Oklahomans; assisting in the provision of health care workforce development, clinical niche specialties and support of the Medical Center as a major economic force.

**Mission:** The mission of the University Hospitals Authority is to be a catalyst for medical excellence, to support education and research and to assure the best care available to all Oklahoma citizens regardless of means to pay while growing essential alliances and maximizing utilization of State and Federal resources.

**Core Values:** The University Hospitals Authority Board is focused on supporting our strategic partners. We value honesty and complete disclosure. We seek input from our partners and appropriate stakeholders to further the OU Health enterprise's integrated operations model. We foster creativity by rewarding new ideas and encouraging participation and input. We are committed to making a difference in the lives of all Oklahomans by investing whatever time and effort is needed to succeed and be an engaged, participative board.



# Accomplishments

## Top accomplishments for FY 2024 – FY 2025

- 1) Completed an addition of 10 new behavioral health safe rooms in the emergency department of Oklahoma Children's Hospital.
- 2) Broke ground and progressed construction such that the final floor of the new pediatric behavioral health facility has been "topped out." This state-of-the-art pediatric behavioral health facility will be jointly operated by OU Health.
- 3) Increased access to specialty care for all Oklahomans via increased inpatient and outpatient volume at OU Health.
- 4) Increased the number of physicians in Oklahoma via increased residency program positions and maintaining retention rates.
- 5) Increased the number of nurses in Oklahoma via increased nursing enrollment.



# Analysis of Agency Challenges

	<b>Challenge</b>	<b>Current Actions</b> (Briefly describe how the agency is currently addressing the challenge.)	<b>Planned Actions</b> (Briefly describe how the agency plans to address the challenge going forward.)
<b>1</b>	<b>Finding medical workforce to meet the needs of future facilities and the state.</b>	<b>UHA is working with its partners at the University of Oklahoma and OU Health to expand residency programs, expand nursing programs and overall enrollment, and expand class sizes in other Health Sciences Colleges and STEM related programs.</b>	<b>UHA along with its partners will work to retain many of the graduates that have been and will be generated by these programs and will look for other partnership opportunities with other institutions to continue to expand Oklahoma's workforce.</b>



# Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement	FY 2024 (Actual \$ Savings)	FY 2025 (Projected \$ Savings)	FY 2026 (Projected \$ Savings)
<i>Administrative Expense</i>	UHA has no employees or administrative expenses other than OMES claims processing fees. 100% of appropriations are passed through to other entities for their programs.				



# Agency Goals and Key Performance Metrics

	Goal	Metric	FY 24 Target*	FY 24 Actuals	FY 25 Target	FY 29 Target
1	Increase Access to Specialty Care	Inpatient Volume (admissions)	36,795	40,291	41,150	44,542
2	Increase Access to Specialty Care	Outpatient Volume (visits)	667,370	815,527	831,837	900,407
3	Increase Quality of Health Care Provided	CLABSI	39	71	58	39
4	Increase Quality of Health Care Provided	Overall Patient Experience Score (HCAHPS)	68.5%	63.25%	69%	76.5%
5	Increase the Number of Physicians in Oklahoma	Number of Residents and Fellows	825	847	852	864
6	Increase the Number of Nurses in Oklahoma	Number of Nursing Students	1,050	1,134	1,157	1,252
7	Increase Access to Research Based Care	NIH Funding Total Federal Research Funding	\$85,160,000 \$126,011,586	\$85,586,209 \$132,773,791	\$90,000,000 \$135,000,000	\$100,000,000 \$150,000,000
8	Maintain Minimum Administrative Expense	Administration Percentage of Budget	.05%	.01%	.05%	.05%



*Note: Include the FY 2024 target metrics from the Strategic Plan submitted in 2022.*

# Projects for FY 2025

- 1) During the current fiscal year, work is continuing to progress on the construction of our pediatric behavioral health center. 2025 work includes “topping out” of the structure as well as enclosure of the external structure.
- 2) During the current fiscal year, UHA will hire a construction management firm to work with the architect that was selected during FY 2024 to complete the design documents on the new Stephenson Cancer Center facility to be located on the University of Oklahoma Schusterman Campus in Tulsa, OK.
- 3) Continue planning work for a pediatric heart hospital extension of Oklahoma Children’s Hospital with the assistance of an architectural consultant.
- 4) The agency is committed to moving towards value-based care with the joint operator of the hospital system. This requires monthly monitoring of quality performance metrics with the Quality and Medical Staff Oversight Committee reporting to the Board of Directors of OU Health.
- 5) Legislative assistance such as SB 79 during the 2021 session and HB 3449 during the 2024 session has contributed to an increased number of funded and filled residency positions. The University plans to significantly increase enrollment in its undergraduate MD program over the next five years to help maintain and grow the graduate medical education program. Finally, UHA is also working with the Oklahoma Health Care Authority to identify potential federal funding opportunities to increase the number of residents in our system.



# Projects for FY 2026

- 1) During fiscal year 2026, work will continue to progress on the construction of our pediatric behavioral health center. 2026 work will include internal finishing work. We expect to open this facility in the fall of 2026.
- 2) During fiscal year 2026, UHA will have broken ground and be underway on construction of an extension of Stephenson Cancer Center facility to be located on the University of Oklahoma Schusterman Campus in Tulsa, OK.
- 3) During fiscal year 2026, UHA will look to procure an Architect and Construction Management firm to develop construction documents for a pediatric heart hospital extension of Oklahoma Children's Hospital.
- 4) As a continuation of the 2025 project, the agency is committed to moving towards value-based care with the joint operator of the hospital system. This requires monthly monitoring of quality performance metrics with the Quality and Medical Staff Oversight Committee reporting to the Board of Directors of OU Health.
- 5) Legislative assistance such as SB 79 during the 2021 session and HB 3449 during the 2024 session has contributed to an increased number of funded and filled residency positions. The University plans to significantly increase enrollment in its undergraduate MD program over the next five years to help maintain and grow the graduate medical education program. Finally, UHA is also working with the Oklahoma Health Care Authority to identify potential federal funding opportunities to increase the number of residents in our system. All of these projects to increase workforce for Oklahoma are expected to continue in FY 2026.

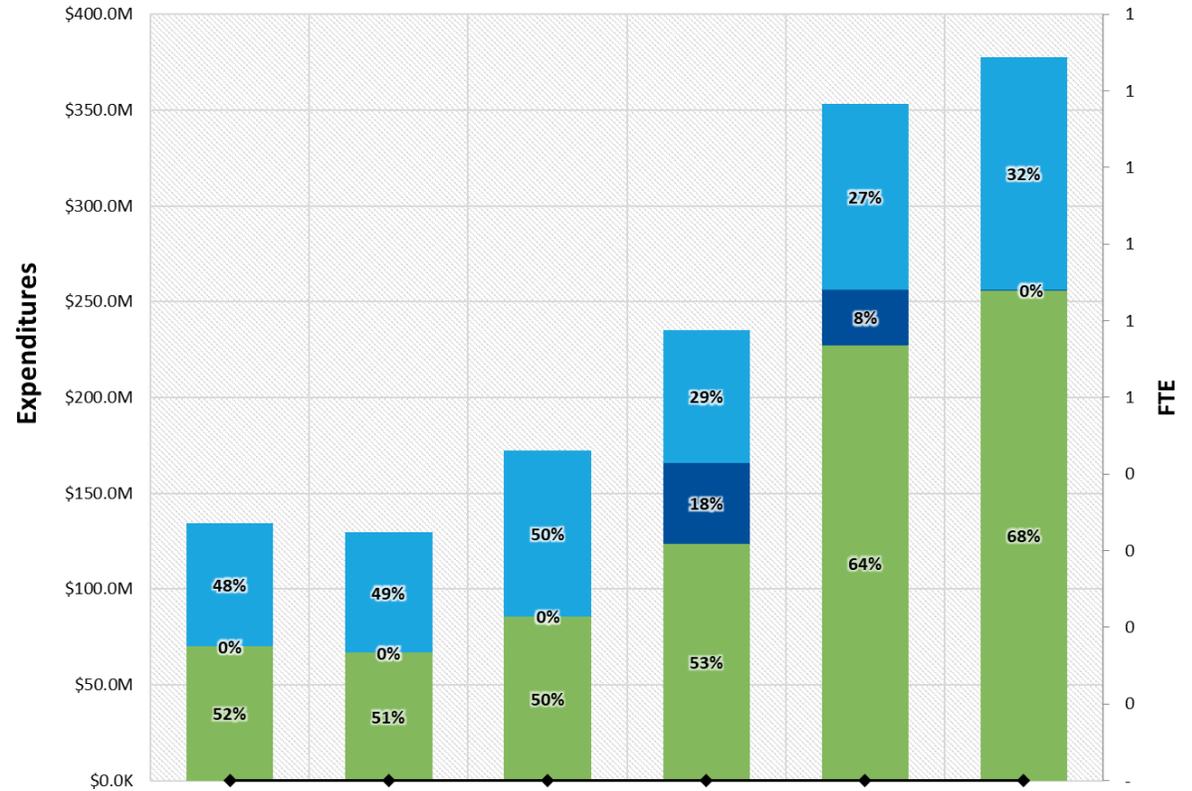


# Total Historic Actual Expenditures (FY 2020-24) and Current Year Budget (FY 2025)

## Explanation of Changes and Trends

The trend of increased appropriated expenditures reflects the recent investment the state has made in healthcare and STEM workforce development through education and research initiatives and the expansion of health care options available to Oklahomans with investments in new healthcare and research facilities. Additionally, the state has invested in providing care for the most vulnerable among its population by providing funding for indigent care that can be used to obtain federal matching dollars under the state's new Medicaid managed care structure. This investment has both increased appropriated expenditures and has also increased revolving fund expenditures as more Medicaid dollars are received by UHA via the Oklahoma Health Care Authority. Finally, during FY 23 and FY 24, UHA began drawing down federal ARPA funding via OMES. These federal dollars are being used to fund five projects that were approved by the legislative joint committee and ultimately appropriated to UHA.

### Historic Total Actual Expenditures and Current Year Budget



	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 YTD Budget
Appropriated	\$70.0M	\$66.7M	\$85.6M	\$123.6M	\$227.0M	\$255.9M
Revolving	\$64.5M	\$62.9M	\$86.5M	\$69.3M	\$97.1M	\$121.5M
Federal	\$0.0K	\$0.0K	\$0.0K	\$42.2M	\$29.2M	\$300.0K
<b>Total</b>	<b>\$134.4M</b>	<b>\$129.5M</b>	<b>\$172.1M</b>	<b>\$235.0M</b>	<b>\$353.3M</b>	<b>\$377.7M</b>
FTE	-	-	-	-	-	-



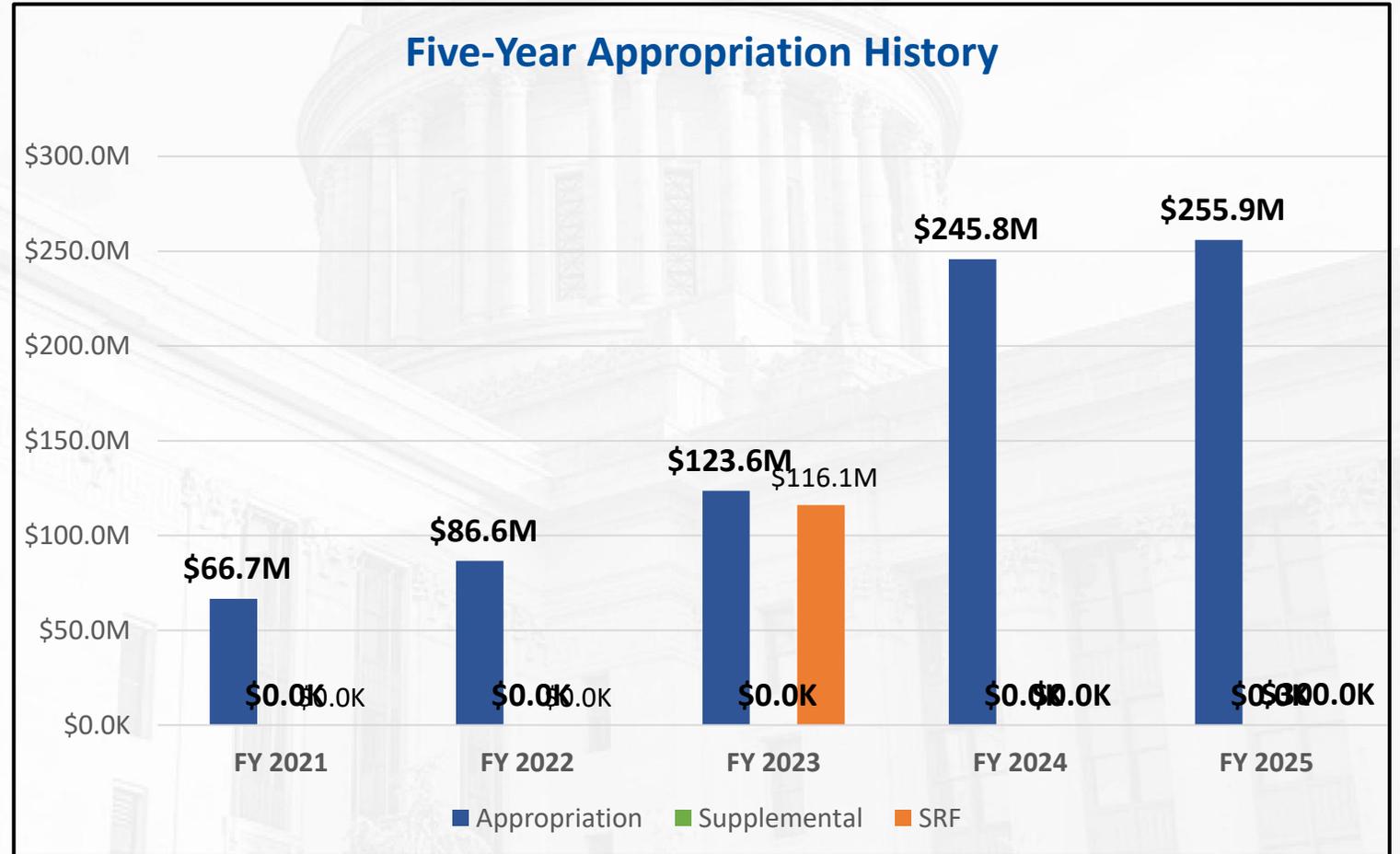


# FY 2025 Budgeted Full Time Equivalents (FTE)

	FY 2025 Budgeted FTE
<b>Total FTE</b>	0
<b>Supervisor FTE</b>	0
<b>Supervisors to Total FTE Ratio (%)</b>	N/A
<b>Current Budgeted but Unfilled FTE</b>	0

# Appropriation History

Fiscal Year	Legislated Appropriation (\$) (Includes supplementals and SRF/ARPA.)
FY 2021	\$66.7 Million
FY 2022	\$86.6 Million
FY 2023	\$239.7 Million
FY 2024	\$245.8 Million
FY 2025	\$256.2 Million



\*Includes Supplemental and Statewide Recovery Fund (ARPA) appropriations.



# Financial Resource Analysis

Carryover	FY 2021	FY 2022	FY 2023	FY 2024
Total appropriated carryover amount expended (\$)	\$	\$	\$	\$

Historical Cash Balances	FY 2021	FY 2022	FY 2023	FY 2024
Year End Revolving Fund Cash Balances <i>(All Revolving Funds)</i>	\$7,484,412	\$8,006,038	\$4,548,637	\$4,846,492

Revolving Class Fund # <i>(Unrestricted only)</i>	Revolving Class Fund Name <i>(Unrestricted only)</i>	Current cash balance (\$)	Projected FY 2025 year-end cash balance (\$)
#201	University Hospitals Authority Revolving Fund	\$5,772,579	\$2,000,000
#		\$	\$
#		\$	\$
#		\$	\$
#		\$	\$
#		\$	\$
	<b>Total Unrestricted Revolving Fund Cash balance:</b>	\$2,008,742	\$2,000,000

# FY 2023 – 2024 Appropriation Change Review (1/2)

<i>Purpose of appropriation increase or decrease</i>	<i>Amount FY 2023</i>	<i>Amount FY 2024</i>	<i>Total amount received FY 2023 - 24</i>	<i>Total amount expended by 11/1/2024</i>	<i>Included in FY 2025 approp? (Yes/No)</i>	<i>If not expended fully, please explain.</i>
To support indigent care mission of OU Health.	\$0	\$96,000,000	\$96,000,000	\$96,000,000	Yes	
Support for expansion of Stephenson Cancer Center's NCI designated services and clinical trails into northeast Oklahoma	\$0	\$10,000,000	\$10,000,000	\$10,000,000	Yes	
Support for expansion of the University of Oklahoma's engineering and biosciences lab and research capabilities.	\$0	\$10,000,000	\$10,000,000	\$10,000,000	Yes	
Increased support for OUHSC's medical research capabilities.	\$0	\$2,000,000	\$2,000,000	\$2,000,000	Yes	
Increased support for the Child Study Center.	\$0	\$1,551,000	\$1,551,000	\$1,551,000	Yes	
Increased support for hearing screening and audiology services provided to all Oklahoma children.	\$103,835	\$1,903,835	\$2,007,670	\$2,007,670	Yes	
Funding for OHCA to increase Medi-Flight Rates to Providers.	\$0	\$750,000	\$750,000	\$750,000	Yes	



*\*Do not include SRF / ARPA appropriation increases.*

# FY 2023 – 2024 Appropriation Change Review (2/2)

<i>Purpose of appropriation increase or decrease</i>	<i>Amount FY 2023</i>	<i>Amount FY 2024</i>	<i>Total amount received FY 2023 - 24</i>	<i>Total amount expended by 11/1/2024</i>	<i>Included in FY 2025 approp? (Yes/No)</i>	<i>If not expended fully, please explain.</i>
Increase funding for education and research endeavors at the University of Oklahoma	\$30,000,000	\$30,000,000	\$60,000,000	\$60,000,000	Yes	
Funding to support OUHSC medical research	\$5,000,000	\$5,000,000	\$10,000,000	\$10,000,000	Yes	
Funding to support the mission of UHA via maintenance of assets and program support.	\$1,000,000	\$1,000,000	\$2,000,000	\$2,000,000	Yes	
Funding to increase nursing work force development at OUHSC College of Nursing	\$871,048	\$871,048	\$1,742,096	\$1,742,096	Yes	
Increased funding to support the Oklahoma Center for Poison Control and Prevention	\$0	\$150,000	\$150,000	\$150,000	Yes	
<b>Totals</b>	<b>\$36,974,883</b>	<b>\$159,225,883</b>	<b>\$196,200,766</b>	<b>\$196,200,766</b>		



*\*Do not include SRF / ARPA appropriation increases.*

# FY 2025 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Does this need to be included in your FY 2026 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
Psychiatric Residency Program Additions	\$2,082,000	Yes	Yes	
LCF Repayment for OU Research Building	\$8,000,000	Yes	Yes	
<b>Total adjustment</b>	<b>\$10,082,000</b>			



*\*Do not include SRF / ARPA appropriation increases.*

# Budget & Supplemental Incremental Request Summary

	Request Name	FY 2026 Incremental Appropriation Request Amount (\$) <i>{or FY 2025 for Supplementals}</i>	Type of Request: Recurring, One-time, or Supplemental
1	Pediatric heart center expansion at Oklahoma Children’s Hospital to ensure Oklahoma children can receive needed care in Oklahoma	\$20,000,000	Recurring



# (1) Incremental Budget Request

## **Pediatric heart center expansion at Oklahoma Children's Hospital to ensure Oklahoma children can receive needed care in Oklahoma**

Type: Recurring

\$ Incremental Amount Requested for FY 2026: \$20,000,000

Describe why these funds are needed.

As part of the 100th anniversary celebrations at Oklahoma Children's Hospital, University Hospitals Authority, in conjunction with its partners the University Hospitals Trust, OU Health and OUHSC intend to expand the facilities that house the pediatric heart program at Oklahoma Children's Hospital. This facilities expansion will provide a space for Oklahoma Children's Hospital's nationally ranked pediatric heart program to provide world class care in a facility matching talent of the physicians in this practice and will allow more Oklahoma children to receive the care they need without leaving the state of Oklahoma.





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# Appendix