

**AMENDED AND RESTATED BYLAWS OF
THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
MEDICAL SERVICE RESEARCH AND DEVELOPMENT PLAN
(MSRDP)
FACULTY PRACTICE PLAN**

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THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
MSRDP FACULTY PRACTICE PLAN**

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ARTICLE I PURPOSE

The Purpose of the MSRDP Faculty Practice Plan ("Plan") is to manage and hold in trust the professional income of faculty members at The University of Texas Medical School at Houston, a part of The University of Texas Health Science Center at Houston ("Institution"). The Plan's goal is to promote excellence in teaching, research, clinical service, and administration through clinical practice and compensation strategies that will contribute to and safeguard the Institution's continued growth in excellence. The Plan sets forth a general framework for compensating faculty that will attract and retain outstanding faculty by rewarding performance, clinical innovation and productivity, research, teaching, and administrative excellence; providing fairness and consistency in compensation determinations; and aligning faculty performance with the Institution's mission.

ARTICLE II DEFINITIONS

- 2.1 **Board of Directors ("Board")** means the advisory board that makes recommendations to the President of the Institution regarding the direction and management of this Plan as set forth in these Bylaws.
- 2.2 **Board of Regents ("Regents")** means the governing body of The University of Texas System, which has the ultimate jurisdiction and responsibility to govern, operate, support, and maintain each institution of The University of Texas System.
- 2.3 **Chair of the Board** is the President of the Institution.
- 2.4 **Executive Vice Chancellor for Health Affairs** of The University of Texas System is the individual appointed to that position by the Regents who has the authority granted by the Rules and Regulations of the Board of Regents and the specific responsibilities set forth in these Bylaws.
- 2.5 **Institution** is The University of Texas Health Science Center at Houston.
- 2.6 **Institutional Trust Fund** is the fund established for the deposit and distribution of revenues generated and disbursed according to this Plan.
- 2.7 **Members** are faculty members who are designated to participate in this Plan by the President or a designee, as more fully described in section 3.1.

- 2.8 **Plan** is this MSRDP Faculty Practice Plan, otherwise known as the Medical Service Research and Development Plan (“MSRDP”).
- 2.9 **President** is the person appointed by the Regents to serve as President of the Institution and who shall act as Chair of the Board of the Plan. All references to the President herein also refer to the President’s role and actions as Chair of the Board.
- 2.10 **Senior Clinical Administrator** is the officer or individual within the Institution with significant clinical experience and expertise who is appropriately qualified to perform the functions of the role to which he or she is appointed. The Senior Clinical Administrator is the Executive Vice Dean for Clinical Affairs.

ARTICLE III MEMBERS

- 3.1 **Membership.** Membership in the Plan is mandatory for each faculty member whose appointment is 50% or greater, if the Member generates professional income as defined in section 8.3. Other part-time faculty members may become Members upon recommendation of the department chair and approval of the President or his/her designee. This Plan may apply to faculty members who do not generate professional income, as determined by the President at the time of appointment or reappointment of the Member.
- 3.1.1** All Members shall be entitled to vote upon business brought before the membership and shall be eligible for election or appointment to a committee of the Plan.
- 3.1.2** A Member leaving the faculty for any reason terminates membership in the Plan without recourse.
- 3.2 **Memorandum of Appointment and Agreement of Participation.** A Memorandum of Appointment and an Agreement of Participation assigning professional income to the Plan shall be executed annually between each Member and the Institution, in a form prescribed by the Executive Vice Chancellor for Health Affairs, and are a condition for membership and participation in the Plan. Any delay, error or failure to execute these documents does not relieve a Member of the requirement that all of his or her professional income shall be assigned to the Plan.
- 3.3 **Meeting of the Members.** The Members shall meet in general session at least annually, in the month of January at a place designated by the President, and at other times at the call of the President. Notice of the annual meeting shall be distributed to each Member at least 14 days prior to the meeting. At least 30 days prior to the annual meeting, the

President shall appoint a nominating committee to submit nominations for members-at-large to the Members. Nominations for Board members-at-large may be made from the floor if the Member nominated has agreed to the nomination. At its annual meeting, the Members shall elect members-at-large to serve two-year terms on the Board.

- 3.3.1 Special meetings may be called by the Board, the President, or upon written petition of one-third of the Members, subject to 14 days notice in writing to all Members. The time, place, and date, of the meeting shall be determined by the Board, and the group requesting the special meeting shall state the purpose.
- 3.3.2 The President or, in his or her absence, the Vice-Chair shall preside.
- 3.3.3 The Secretary of the Board shall serve as Secretary of the Plan.
- 3.3.4 One-third of the Members shall constitute a quorum.
- 3.3.5 Proxies shall not be allowed.
- 3.3.6 Unless otherwise specified herein, a simple majority of a quorum present and voting shall constitute a prevailing vote.
- 3.3.7 Mail or electronic votes may be called at the discretion of the President. On matters requiring a vote of the Members, at least fourteen calendar days before the deadline for completion of voting, the Secretary shall provide to each voter, either through the mail or electronically, a mail ballot or instructions for voting electronically, accompanied by background information prepared by the Secretary as the Board may direct, and a deadline for the return of the mail ballots or for electronic voting.
 - A. In the case of mail ballots, each voter shall receive a plain envelope in which to enclose a marked ballot, and a second envelope addressed to the Secretary to be used for the return of the sealed ballot. The envelope addressed to the Secretary shall have a space for the signature of the voter. Ballots lacking this validating signature shall be deemed void.
 - B. For electronic voting, the Secretary shall utilize a system that verifies each voter's identity and maintains security.
 - C. Provided that a quorum of a membership responds within the deadline stated for the vote, the issue(s) submitted for electronic or mail vote will be decided by a simple majority of the members voting. Electronic or mail voting will continue until a quorum of the members responds.

- 3.3.8 Minutes of each meeting shall be prepared by the Secretary, published and circulated to each member of the Board and the Executive Vice Chancellor for Health Affairs, and shall be available to each Member upon request. Posting the minutes on a website satisfies this requirement.
- 3.3.9 The rules of order for meetings shall be the current edition of *Robert's Rules of Order*.

ARTICLE IV BOARD OF DIRECTORS

- 4.1 **Powers.** The membership, governance, and scope of authority of the advisory Board are prescribed herein.
- 4.2 **Composition and Officers.** The Board shall be composed as follows:
- 4.2.1 Officers of the Board
- A. The Chair shall be the President of the Institution.
 - B. The Vice Chair shall be the Dean of the Medical School or similarly titled and skilled senior level administrator who is qualified to serve, as determined by the President.
 - C. The Treasurer shall be the Chief Business Officer of the Institution or other similarly skilled senior level administrator who is qualified to serve, as determined by the President.
 - D. The Secretary shall be the Executive Director of the Plan, serving as ex-officio, non-voting member of the Board; however, if the Executive Director of the Plan is a physician Member, he or she shall be a voting member of the Board.
- 4.2.2 Other Directors
- A. Senior Clinical Administrator;
 - B. Chairpersons of all clinical departments;
 - C. A total of four members-at-large will be elected by the Members to serve staggered terms. Such members may serve no more than two consecutive two-year terms, but may be eligible to serve again after an interval of one year. Each member so selected must devote at least 25% of his or her time to the clinical practice of medicine;

- D. Two members appointed from clinical departments by the President: one from a department with a budget below the mean of all clinical department budgets and one member from a department with a budget at or above the mean of all clinical departments. Each member so selected must devote at least 25% of his or her time to the clinical practice of medicine. Such members may serve no more than two consecutive two-year terms, but may be eligible to serve again after an interval of one-year.
- E. The Chief Legal Officer of the Institution shall serve as an ex-officio, non-voting member of the Board;
- F. The Chief Medical Officer of the Plan, if different from the Executive Vice Dean for Clinical Affairs, shall serve as a member of the Board with vote;
- G. Other persons may be appointed by the President as ex-officio members of the Board without vote; and
- H. No clinical department shall have more than four voting members of the Board.

4.3 **Vacancy.** If a vacancy exists for a member-at-large, the Board shall appoint a replacement until the next annual election by the Members.

4.4 **Annual Meeting.** The Board will assume its responsibilities annually at its annual meeting.

4.5 **Meetings.** The Board shall meet at least quarterly, on call of the Chair, or on the written petition of 51% of the Board. Minutes of all meetings of the Board and its standing committees shall be recorded and a copy of these along with copies of committee reports and attendance rolls shall be provided to the Executive Vice Chancellor for Health Affairs, if requested. Special meetings shall be held when called by the President or at the request of 51% of the directors.

4.6 **Manner of Meetings.** Board meetings may be held in a manner determined by the President, including in-person meetings, teleconference, or written unanimous consent. Minutes of meetings by teleconference shall be prepared and filed in the same manner as any other meeting. A written consent in lieu of a meeting shall, describe the action to be taken, and be signed by each director, and authorized by the Board. Such consent shall have the same force and effect as a unanimous vote at a meeting.

4.7 **Quorum.** One-half of the Board shall constitute a quorum. A simple majority vote of directors present and voting shall prevail, provided, however, that any action taken by the Board is subject to approval by the President.

- 4.8 **Reports.** The Board shall report its actions, in writing, in electronic or paper format, to the Members at the Members' annual meeting.

**ARTICLE V
THE PRESIDENT AND CHAIR OF THE BOARD**

- 5.1 **Authority.** The direction and management of the Plan and the control and disposition of its assets shall be vested in the President, who shall act as Chair of the Board, subject to the authority of the Executive Vice Chancellor for Health Affairs and/or the Regents, as set forth in these Bylaws and the Regents' Rules and Regulations, The University of Texas System policies, and Institution policies. The President may approve exceptions to the Plan to meet special teaching, research or clinical service requirements. The President shall have the authority to:

- 5.1.1 Make recommendations regarding faculty compensation, subject to the approval of the Executive Vice Chancellor for Health Affairs;
- 5.1.2 Appoint a designee to carry out certain functions described herein;
- 5.1.3 Appoint officers and directors to the Board as set forth in section 4.2, and ensure that all presidential appointees to the Board or committees described in Article VI have the appropriate skill and experience to carry out the duties assigned;
- 5.1.4 Oversee committees of the Plan to ensure that each committee is diligently performing its assigned duties;
- 5.1.5 Issue administrative procedures further defining implementation of this Plan, subject to the approval of the Executive Vice Chancellor for Health Affairs;
- 5.1.6 Review amendments to the Plan proposed by the Members or the Board; propose amendments as appropriate to the Board, the Members, the Executive Vice Chancellor for Health Affairs, or the Regents; and transmit amendments to the Executive Vice Chancellor for Health Affairs, or the Regents, as appropriate; and
- 5.1.7 Take such other action on behalf of the Plan and the Members as deemed necessary, in consultation with the Board.

- 5.2 **Consultation Requirements.** The President or a designee shall consult with representative faculty groups, such as the Faculty Compensation Advisory Committee and/or the Medical School Faculty Senate, regarding proposed substantive revisions to

the Faculty Compensation Plan described in section 9.1 of these Bylaws, before submitting such revisions to the Executive Vice Chancellor for Health Affairs for approval.

ARTICLE VI COMMITTEES

6.1 Standing Committees of the Board. Members of the following standing committees shall be appointed by the President, in consultation with the Board, except as specifically designated herein. The President shall appoint the chair of each committee. Committee appointments are for two years and may be renewed for additional two year terms at the discretion of the President. All committees shall report to the Board, including Institutional committees that perform the described duties on behalf of the Plan.

6.1.1 The **Executive Committee** shall be chaired by the President and shall include the officers of the Board and four additional Board Members appointed by the President to make recommendations or decisions between meetings on behalf of the Board.

6.1.2 The **Budget and Finance Committee** shall be chaired by the Chief Business Officer of the Institution and shall consist of the Dean of the Medical School, the Executive Vice Dean for Clinical Affairs, a faculty representative appointed by the Faculty Senate who is a Member, and four other members appointed by the President; at least one member shall not be a department chair. The duties of the Budget and Finance Committee shall include, but not be limited to:

- A. Developing annual operating and capital budgets for the Plan for approval by the Board;
- B. Reviewing and approving unbudgeted expenditures greater than \$25,000 for approval by the Board;
- C. Reviewing and approving financial reports for presentation to the Board;
- D. Reviewing billing and collection activities and making appropriate recommendations to the Board;
- E. Reviewing the financial impact of proposed programs and services, and proposed capital investments, and reporting findings to the Board for approval;
- F. Developing professional fee schedules for approval by the Board; and

- G. Recommending to the Board any action necessary to address budgetary changes or shortfalls.

6.1.3 The **Compliance and Ethics Committee** shall be chaired by the Dean of the Medical School and shall consist of four members appointed by the President; at least one member shall not be a department chair. The Medical School Compliance Officer shall report to this Committee. If there is an Institutional Compliance Committee, that Committee may act as the Compliance and Ethics Committee of the Plan, at the discretion of the Board. The duties of the Compliance and Ethics Committee shall include, but not be limited to:

- A. Developing and overseeing compliance plans, including training of faculty and staff, to assure that billing and collecting comply with local, state and federal statutes, rules and guidelines;
- B. Reviewing compliance reports and making appropriate recommendations to the Board;
- C. Reviewing findings of Professional Affairs and Audit Committees and making appropriate recommendations to the Board;
- D. Reviewing departmental guidelines for supervision of residents and documentation standards and making appropriate recommendations to the Board;
- E. Making recommendations to the Audit Committee; and
- F. Complying with the Institutional Compliance Plan.

6.1.4 The **Professional Affairs Committee** shall be chaired by the Senior Clinical Administrator or Chief Medical Officer and shall include four members appointed by the President. At least one member shall not be a department chair. If there is an Institutional Professional Affairs Committee, that committee may act as the Professional Affairs Committee of the Plan, at the discretion of the Board. The duties of the Professional Affairs Committee shall include, but not be limited to:

- A. Reviewing and recommending action to the Board concerning membership in the Plan not expressly required by the Bylaws;
- B. Developing and overseeing a plan that assures appropriate credentialing and peer review of all Members of the Plan; and
- C. Developing and overseeing a quality improvement and patient safety program.

6.1.5 The **Audit Committee** shall be chaired by the President. Members shall include the officers of the Board and an independent external member with financial expertise. If the Institution has an Institutional Audit Committee, that committee may serve as the Audit Committee of the Plan, at the discretion of the Board. If the Plan has its own Audit Committee, the Committee shall conduct its proceedings and decision-making consistent with the charter of the Institution's Audit Committee. The duties of the Audit Committee shall include, but not be limited to:

- A. Developing and overseeing an annual audit plan, to include audits of any entity contracted for business operations of the Plan;
- B. Reviewing audit reports and ensuring that findings and recommendations of the auditor are forwarded to the appropriate committees or departments;
- C. Monitoring the implementation of and compliance with the recommended corrective action, if any; and
- D. Making recommendations to the Board, as appropriate.

6.1.6 The **Faculty Compensation Advisory Committee** shall advise the Board on matters related to compensation. The co-chairs of the committee shall be the Senior Clinical Administrator and the Chair of the Medical School Faculty Senate.

6.2 **Meetings of Standing Committees.** Standing committees shall meet at least quarterly or on the call of the chair of the committee, keep minutes of the meetings, and report actions and recommendations, in writing, to the Board.

6.3 **Additional Committees.** The President, in consultation with the Board, may create other standing and *ad hoc* committees from among the directors or the Members to make recommendations upon specific matters. Committees may also be created at the request of a majority of the Members. Appointment to these committees shall be noted in the minutes of the Board, including any restriction on membership. The minutes shall be kept of committee meetings, and recommendations shall be submitted to the Board in writing. The Board may eliminate a standing committee as circumstances change, subject to the prior approval of the Executive Vice Chancellor for Health Affairs.

ARTICLE VII BUSINESS OPERATIONS

- 7.1 **Operating Budget.** The Budget and Finance Committee shall prepare an annual operating budget for all income and expenditures of the Plan for approval by the Board. Such approval shall be in accordance with the Budget Rules and Procedures of the Regents.
- 7.2 **Executive Director.** The President, in consultation with the Board, shall appoint an Executive Director of the Plan who shall serve as the general administrative officer and business manager of the Plan at the pleasure of the President.
- 7.2.1 The Executive Director shall be under the direction and supervision of the President or his/her designee.
- 7.2.2 The Executive Director shall cause to be prepared financial reports for the Plan, which shall be submitted to the Board at each regular meeting. Quarterly financial reports shall be submitted to and in a format approved by the Executive Vice Chancellor for Health Affairs.
- 7.2.3 The Executive Director shall maintain detailed records of all operational and financial information regarding the Plan.
- 7.3 **Chief Medical Officer.** The President, in consultation with the Board, shall appoint a Chief Medical Officer of the Plan who shall serve as the liaison between the Board and the Members to provide leadership in the development of business and operational strategies related to the Plan. The Chief Medical Officer shall oversee the credentialing, quality of care, and patient safety functions of the Plan.
- 7.4 **Business Office.** A Business Office shall be maintained for the Plan under the direction of the President or a designee, consistent with the rules, regulations, and policies of The University of Texas System and Institutional policies.
- 7.4.1 The President, in consultation with the Board, and subject to Regents' Rules, may contract with an entity to administer the business operations of the Plan, including but not limited to, strategic development, marketing, billing for and collection of professional fees, contracting for professional services, clinic operations, credentialing, and managed care operations. Contract oversight, reporting, corporate compliance, and financial audit of the entity are the responsibilities of the appropriate officers or committees of the Board. Contracting with an outside entity for billing and collection of professional fees requires the prior approval of the Executive Vice Chancellor for Health Affairs.

7.4.2 Except as provided in section 7.4.1 above, professional fees and Plan-related technical fees shall be centrally billed and collected by the Business Office for the Plan, in accordance with procedures developed by the Board and applicable policies of The University of Texas System and the Institution. All personnel in the business office who have responsibilities for billing and collection for professional services of the Members shall be under the control of and assigned for personnel matters to the Executive Director.

7.4.3 All collections received from the professional services of Members and all monies received from other sources of professional income described in section 8.3 below shall be deposited in the Institutional Trust Fund.

7.5 **Authorized Professional Business Expenditures.** Professional business expenditures authorized by the Regents are set forth in Appendix A

ARTICLE VIII INSTITUTIONAL TRUST FUND

8.1 **Fund.** An Institutional Trust Fund has been established for the receipt and disbursement of Plan income.

8.2 **Audit.** The Institutional Trust Fund shall be audited in accordance with rules, regulations, and policies of The University of Texas System and the Institution. The cost of the audit shall be paid from the Institutional Trust Fund.

8.3 **Sources of Income.**

8.3.1 Pursuant to the Member's Memorandum of Appointment and Agreement of Participation with the Institution for participation in the Plan, each Member shall assign all professional income (including any technical component) to the Institutional Trust Fund, including, but not limited to:

- A. Professional fees (and any other monies or material considerations provided in the context of medical services to patients) generated for all patient care services rendered by full-time faculty regardless of where rendered;
- B. Professional fees (and any other monies or material considerations provided in the context of medical services to patients) generated for all patient care services rendered by all part-time faculty who are Members, if

such fees are generated in connection with the Member's appointment (derived from activities performed as a faculty member at the Institution while using institutional resources).

- C. Fees for all court appearances, depositions, expert testimony, or legal consultations regardless of where or when rendered or where or when the subject of the testimony or consultation occurred;
- D. Gifts of cash or cash equivalents provided in the context of patient-care activities; and
- E. Regular payments from pharmaceutical companies, even if characterized as honoraria or another term.

8.3.2 The following are not professional income and may be retained by the Member:

- A. Honoraria, defined as payments by entities outside The University of Texas System for service on scientific review panels related to granting agencies, foundations, and other non-profit organizations, occasional lectures and similar public appearances beyond normal academic responsibilities to the Institution, that are not in return for other services related to the Member's appointment to the faculty and that are in compliance with Section 36.07 of the Texas Penal Code, whether given directly or indirectly;
- B. Royalties, defined as shares or proceeds for contributions as authors or inventors, as permitted under The University of Texas System's copyright and patent policies;
- C. Payment for editing scientific publications;
- D. Prizes, defined as gifts in recognition of personal achievement and not for services rendered;
- E. Income from a profession or activity unrelated to the training and experience which is the individual's qualification for appointment to the faculty, as determined by the department chair in consultation with the President; and
- F. Tangible and non-tangible non-cash gifts, only as permitted by state law or The University of Texas System or Institution policy or rule.

8.3.3 Payments to Members from pharmaceutical, medical device, biotechnology, or related industries, as well as stipends for serving on boards of directors or

advisory boards, shall be addressed in Institutional policies governing such activities and the receipt of such payments. These policies shall also address conflicts of interest, conflicts of commitment with faculty responsibilities related to income from outside professional activities, and the maximum income that the Member can retain from outside professional activities. The Institutional policies must be approved by the Executive Vice Chancellor for Health Affairs.

8.3.4 Income may be accepted from voluntary and part-time faculty who are not Members of the Plan, at the discretion of the individual, upon the recommendation of the department chair, and approval of the President.

8.3.5 Other income not specifically described above shall be reported to the President or a designee, who shall determine whether such income will be considered professional income.

8.4 **Reports.** Each Member shall file a report annually regarding outside professional activities from which the Member retained income in accordance with institutional policies. The Institutional policies must be approved by the Executive Vice Chancellor for Health Affairs.

8.5 **Determination of Professional Fees.** The Budget and Finance Committee shall prepare a fee schedule, which shall be used for billing purposes, subject to approval by the President, in consultation with the Board. Substantive changes in the fee schedule must be approved by the President. Guidelines for discounting fees, if any, will be developed by the Board.

ARTICLE IX FACULTY COMPENSATION

9.1 The Medical School's Faculty Compensation Plan ("Compensation Plan") is a separate document that describes a process to compensate faculty performance and maintain and enhance faculty excellence in support of patient care, education, and research. The Compensation Plan shall be comprised of the following major components with subparts determined by the President after consulting with faculty as required in section 5.2. The components are (a) Base Salary, (b) Supplemental Compensation – including Augmentation, and (c) Incentive Compensation. The term total compensation refers to the aggregate compensation derived from these components. The format and contents of the Compensation Plan shall be determined by the Institution and approved by the UT System Executive Vice Chancellor for Health Affairs. Amendments or changes to the Compensation Plan become official MSRDP policy coincident with their approval and supersede any previous versions of the Compensation Plan.

- 9.1.1 **Base Salary.** Base Salary is that part of a Member's salary based on a Member's academic rank and contributions to the departmental missions. Base Salary shall be designated annually in the Member's Memorandum of Appointment. Base Salary may be derived from any reasonable method, such as salary survey results by nationally recognized organizations that are commonly relied upon by university health institutions to establish similar types of compensation.
- 9.1.2 **Supplemental Compensation.** Supplemental Compensation is that part of a Members' annual compensation stated in the Memorandum of Appointment that is determined by a Member's area of practice or specialty, administrative duties while performed, and other positions, tasks, responsibilities, or contributions that are duly assigned to the Member and for which compensation is not received as either Base Salary or Incentive Compensation.
- 9.1.3 **Incentive Compensation.** Incentive Compensation, if any, is that part of a Member's compensation for performance that is not fixed and is determined through the application of an established and equitably applied process that rewards outstanding performance and productivity and also factors in any negative aspects of a Members' performance or productivity. Incentive compensation may be based on any aspect of a Member's duties, such as teaching, research, public service, clinical productivity, awards of grants or other types of research funding, teaching, service to the institution or any other facet of job performance.
- 9.2 **Appeal of Compensation Determination.** A Member may appeal a compensation determination according to the appeals procedure set forth in the Compensation Plan.
- 9.3 **Compensation Plan.** The Compensation Plan is subject to approval by the Executive Vice Chancellor for Health Affairs.

ARTICLE X GENERAL PROVISIONS

- 10.1 **Compliance and Ethics.** Each Member shall abide by the ethical standards and principles of the state and national professional associations of the Member's discipline. Each Member shall comply with federal, state and local laws and regulations.
- 10.2 **Sarbanes-Oxley Act of 2002.** The Board and the Executive Director shall, with respect to the operation of the Plan, implement the spirit of the Sarbanes-Oxley Act of 2002, consistent with The University of Texas System and Institution policies and rules related

to financial activities and reporting, and the codes of ethics of the System and the Institution.

- 10.3 **Amendments.** These Bylaws have been developed within the standard format approved by the Regents. Substantive amendments may be made only upon approval by the Regents. Non-substantive amendments may be approved upon written request by the Executive Vice Chancellor for Health Affairs. All proposed amendments shall be submitted to the Executive Vice Chancellor for Health Affairs, who will determine whether the approval of the Regents is required.
- 10.3.1 Recommendations for non-substantive amendments to these Bylaws may be made by 51% of the Members voting at a special meeting called for the purpose, or by the Board, or the President.
- 10.3.2 Recommendation for substantive amendments to these Bylaws requires a two-thirds vote of a quorum of the Members at any regular meeting of the Members or a meeting called specifically for this purpose, provided that the proposed amendments shall have been submitted by written notice (which may be by email or other electronic communication) to the Members not less than thirty days prior to the meeting at which the amendment is brought to a vote.
- 10.3.3 Notice of proposed amendments to these Bylaws shall include the complete text of the proposed amendments.
- 10.3.4 Amendments considered substantive include, but are not limited to, those pertaining to faculty compensation, plan membership, and board composition or authority, and other amendments as determined to be substantive by the President or the Board.
- 10.3.5 Substantive amendments shall become effective upon approval of the Regents. Non-substantive amendments may be approved by the Executive Vice Chancellor for Health Affairs, and shall become effective upon such approval.
- 10.4 **Dissolution.** The Plan may be dissolved by the Regents or by applicable law. All monies residual in the Institutional Trust Fund shall be used to discharge obligations of the Plan with the balance to become the property of the Institution.
- 10.5 **Plan is Not a Contract.** This Plan does not constitute a contract or grant any rights beyond which any person is already entitled. The Board of the Plan and the Regents retain the right to modify the Plan at any time.

Adopted by the Members: July 1, 2009

Approved by The University of Texas System Board of Regents
Health Affairs Committee: August 20, 2009

APPENDIX A

AUTHORIZED PROFESSIONAL BUSINESS EXPENDITURES

Effective September 1, 2009

<u>Authorized Business Expense</u>	<u>Maximum</u>
1. Malpractice Insurance	U. T. System Self-insurance rates
2. Official travel, including registration fees (see No. 17, Official Institutional Functions and Official Entertainment)	In accordance with policy and limits, established by U. T. System and Institution not to exceed actual expense
3. Faculty Development Leave	In accordance with the Regents' <i>Rules and Regulations</i> and Institutional Policy
4. Uniforms or Lab Coats	Through Institutional purchasing
5. Membership Dues in Professional Scientific Organizations, Faculty Clubs, Medical Center clubs, or equivalent	In accordance with Institutional policy. Faculty Clubs, Medical Center clubs, or equivalent with President's approval
6. Texas State Clinical License Fee, including Texas Medical Board License	Annual renewal fee; reimbursement expenditure only
7. Medically-Related Educational Aids	In accordance with Institutional policy
8. Base Salary, Augmentation, Supplemental Compensation, and Incentive Compensation	In accordance with Institutional and U. T. System Policy
9. Purchase, maintenance and operation of equipment and operation of U. T. System facilities	In accordance with Institutional policy
10. Ordinary and necessary business expenses incurred by the Member in earning the professional fees charged by said Member, excluding entertainment (see No. 17, Official Institutional Functions and Official Entertainment)	In accordance with Institutional policy

Authorized Business Expense

Maximum

- | | | |
|-----|---|---|
| 11. | Registration fees and tuition incident to attendance at meetings and courses as requested or approved by Institution | In accordance with Institutional policy |
| 12. | Consultant fees and expenses, including guest speakers at official institutionally sponsored or approved meetings | In accordance with U. T. System and Institutional policy |
| 13. | Expenses incident to faculty or staff recruitment (see No. 17, Official Institutional Functions and Official Entertainment) | In accordance with Institutional policy |
| 14. | Establishment or endowment of programs, professorships, or chairs | In accordance with U. T. System policy |
| 15. | Support of academic programs and projects involving education, research or patient care | In accordance with Institutional policy |
| 16. | Institutional participation in community organizations or events | In accordance with Institutional policy |
| 17. | Official Institutional Functions and Official Entertainment. Official entertainment is defined as business-related events or expenditures which are of documented benefit to the Institution or The U. T. System. | In accordance with Institutional policy; provided, however, prior presidential approval is required for any expenditures greater than \$2,500. A quarterly report of all expenditures approved in this category shall be filed with the Executive Vice Chancellor for Health Affairs. |
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- No MSRDP funds may be expended for the benefit of any single individual person or Member except as herein approved.
 - All requests for reimbursement must contain adequate documentation and must be signed by the person seeking reimbursement.
 - All expenditures are subject to the *Rules and Regulations* of the Board of Regents of the U. T. System and applicable institutional regulations and procedures. This list of authorized expenditures may be amended periodically by action of the Executive Vice Chancellor for Health Affairs.

APPENDIX B

MEDICAL SCHOOL COMPENSATION PLAN

Effective July 1, 2008