

## **SEALY & SMITH'S \$200M GRANT RESUCITATES HOSPITAL Hurricane Ike Recovery Aided with Unique TX Legislature Tie-in**

**GALVESTON, TX July 31, 2009** – The University of Texas Medical Branch in Galveston, Texas is on the road to a post-hurricane recovery, thanks to the generous help of The Sealy & Smith Foundation. In a unique deal to save UTMB's academic medical center from leaving the island, the Foundation is donating funds that, coupled with matching state and federal grants, total \$1.4 billion.

“The storm damage from Hurricane Ike threatened this critical institution” said John W. Kelso, president of The Sealy & Smith Foundation. “But we were able to partner with the state legislature and make a major grant to keep the hospital going for Galveston and Texas.”

The Foundation, whose mission is to support UTMB in providing healthcare for the people of Galveston, has pledged \$200 million in new funds. The money will go towards the restoration of the John Sealy Hospital and the construction of a new 220-bed tower, to be called the Jennie Sealy Hospital. The extra capacity at the new facility will bring the total number of beds up to the pre-Ike level of 550.

### **A Crucial Resource**

UTMB is the only hospital on Galveston Island. But when Hurricane Ike hit last September, it wasn't just Galveston's 57,000 residents who felt the loss. Thousands more in southeast Texas depended on it because of its specialized care or proximity to the Gulf Coast's petrochemical and offshore industries.

A teaching hospital with a superior reputation, UTMB is third in the country in National Institutes of Health grants and has pioneered many groundbreaking treatments. Its facilities include one of only two federally funded biocontainment laboratories for studying infectious diseases that emerge naturally or could be employed by terrorists.

But the storm caused \$710 million in flooding damages and closed most of the hospital system for months. The Level 1 Trauma Center – best in the nation before the storm – remained shuttered until August 1, 2009 when it reopened on a temporarily scaled-down basis. Houston, which has only two Level 1 trauma centers, was overwhelmed by would-be UTMB patients, who were transported by ambulance or airlift at great cost.

After the storm, 2,500 of UTMB's 12,500 employees were laid off, including world-class surgeons. A consultancy report recommended moving the medical branch to the mainland, leaving only enough beds on the island for prisoner care.

### **A Team Battle**

Galvanized by the report, state legislators, led by Texas House Speaker Pro Tempore Craig Eiland, D-Galveston, went to work with Sealy & Smith, crafting a financing

package that included FEMA funds, insurance money and tuition revenue bonds. The foundation, which had already been planning to make a grant, increased its pledge to match the state's request.

“This was a unique opportunity to work with the legislature to come up with a creative solution to a problem that looked unsolvable at times,” said Sealy & Smith Executive Director Mike Doherty.

Sealy & Smith will give:

- \$125 million toward building the new hospital
- \$30 million toward modernizing patient rooms at John Sealy Hospital
- \$45 million to be used toward either hospital

“The visionary and long-standing support of The Sealy & Smith Foundation has helped fuel UTMB's achievements for almost a century” said UTMB President Dr. David L. Callender, MD, MBA, FACS. “That support has also advanced the health and well-being of the Galveston community, and of everyone throughout Texas who benefits from the health professionals UTMB educates, the research discoveries our scientists make, and the advanced clinical care we provide.”

The UTMB emergency room reopened at Level 3 on August 1, 2009 and is expected to be back to Level 1 in 2010. The new hospital will include larger operating theaters that can accommodate a full suite of modern surgical equipment.

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## **CONTACT**

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## **About The Sealy & Smith Foundation**

The Sealy & Smith Foundation exists today because of John Sealy, who left \$50,000 for a charitable cause in Galveston when he died in 1884. His executors – his wife Rebecca and his brother George – used the bequest to build the John Sealy Hospital, which opened in 1890. Their decision prompted the state to build the University's medical school.

For the next 32 years, the Sealy children – John and Jennie Sealy Smith – supported the John Sealy Hospital out-of-pocket, making repairs after the hurricane of 1900 and building a women's hospital in 1914. They began the foundation in 1922 to carry on the family concern for the healthcare of Galvestonians. The purpose of the foundation is to provide for the construction and remodeling of the John Sealy Hospital and other hospital buildings in Galveston, in providing healthcare for the people of Galveston.