

State of the Academic Health Center

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February 19, 2009

Six years ago at this annual event, I reflected on the year completed, and looked forward at the year ahead. At that time -- in 2003 – I found the immortal words that begin Charles Dickens' *A Tale of Two Cities* ringing true.

And here we are again – at the beginning of 2009. These are indeed both the best and worst of times.

We've received three of the largest philanthropic gifts of confidence through the Minnesota Medical Foundation this past year – and we're

facing the most significant financial crisis this globe has experienced in nearly eighty years.

Overall our University's research portfolio continues to expand from a range of sources – yet individual scientists are experiencing overwhelming intensity in the competition for funds from traditional sources.

The health care system -- long ripe for reform – may now be experiencing the crisis necessary to overwhelm the political objections to change – and at the same time, we have very little left in any of the existing reform concepts ready to replace our currently collapsing system.

Our health professional schools are experiencing strength in both the number and quality of applicants – yet the debt of our graduates overburdens their options and narrows their range of choices for practice focus or location.

Yes – these are difficult or challenging times. I would submit that in spite of the challenges, this is a place on the move and the right place to be at the right time.

One of our more important values to the state involves the young men and women who graduate from our programs and move on to serve the health needs of families and communities. Last year, nearly 1,300 in

total received PhDs, professional, or bachelors degrees from our six colleges and schools.

We also place students in more than seventeen hundred clinics, hospitals and communities throughout the state of Minnesota. One of the reasons for this is the Area Health Education Center platform. Our AHEC grant was extended through 2011, with \$3.4 million in funding to expand the program beyond our four centers by adding an urban center in North Minneapolis, and later a south east MN center as well.

Meeting the workforce needs is one of our major missions, and we are making progress. A challenge area remains in primary care, where we do need more providers. We are working with the State Legislature on an approach to this challenge.

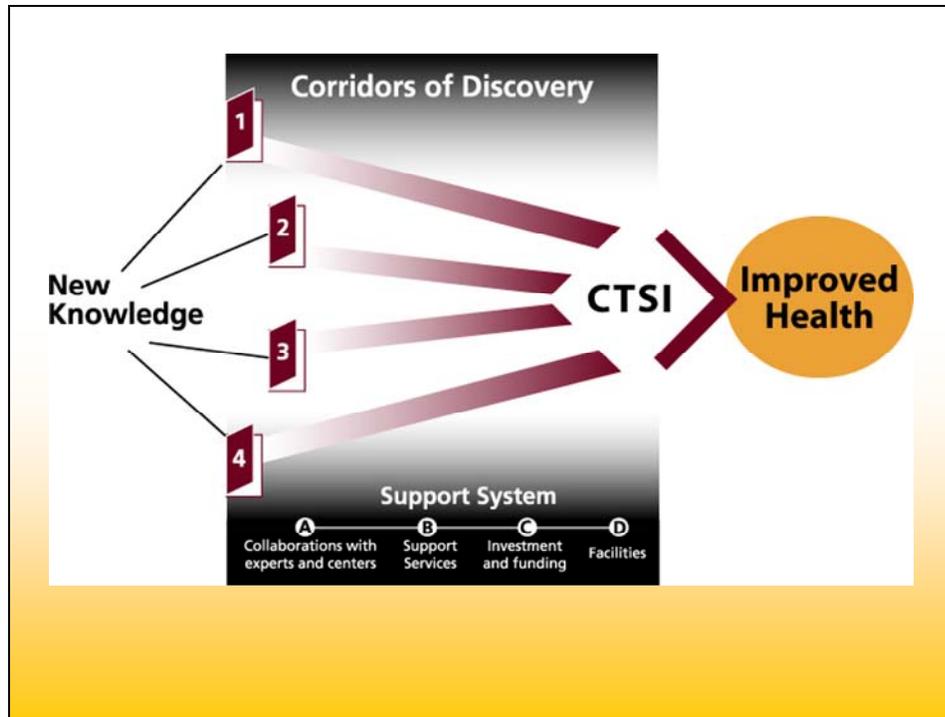
We made a decision early last summer that our University was going to reapply for an NIH Clinical and Translational Science Award. It was clear from earlier efforts – that we needed a new team and a new approach and we made that change. This dedicated group of research faculty and staff undertook a major reframing effort and made an outstanding grant submission.

The leaders of the effort - Bruce Blazer, Tim Tracy, and our community-based colleague Andy Nelson deserve a round of thanks for their leadership and inclusive effort.

The resulting document demonstrates a clear vision for a new model for educating and training clinical scholars and of community engaged research that can truly impact the health of the future. The summary is available on the web.

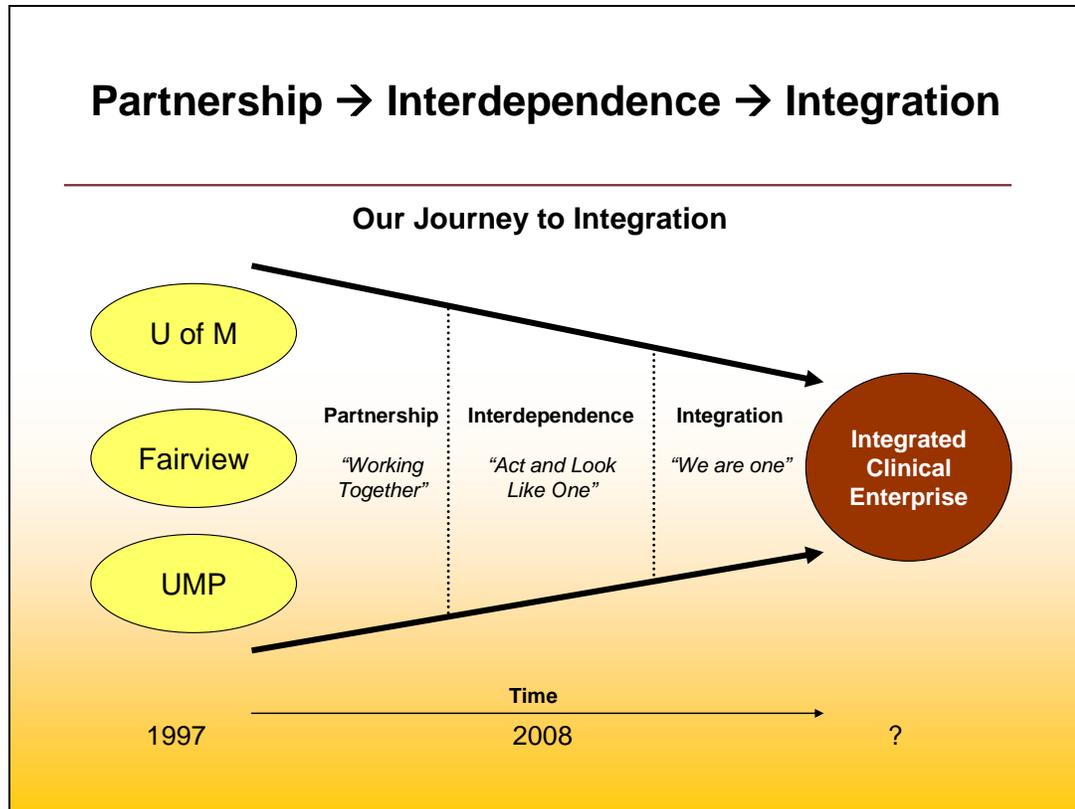


We will know our score by the beginning of March – and regardless of outcome, we are moving ahead to implement the Clinical and Translational Science Institute in early April of this year.



This graphic shows the impact of our CTSI and how it's linked to improved health. On the left you see new knowledge leading through the support and services of the Clinical and Translational Science Institute to the end goal of improved health for our communities.

Improved health is also the impact of our relationship with Fairview.



Clinically, our partnership with Fairview is moving into a very exciting era of integration. We are moving to a model that will allow patients to benefit sooner from leading edge practice resulting from breakthroughs in science and discovery.

I'd like to take a moment to recognize the impact of the leadership of Fairview's President and CEO, Mark Eustis – and thank him for his dedicated passion for this partnership.

Academic Health Center

TC East Bank Campus



In this State of the AHC, I want to provide a strong sense of who we are as a community of scientists, health professionals, faculty, staff, and students all working towards the common goal of improving health, -- of discovering new knowledge, -- and of enhancing the health and economic vitality of the state through the application of that knowledge in and with communities for the improvement of peoples' lives.

Nothing about that commitment is new – there is no change to our stewardship commitment to the health of Minnesota. However, everything around us is changing -

Internationally – we’re just beginning to see the instability caused by the stresses of global economic collapse.

In Washington, we’re watching leading economists demonstrate the limits of their discipline as traditional signals and signs of finance are overwhelmed by the behaviors of us humans.

And here, in Minnesota, just about the time we became accustomed to the idea of a 4 and a half billion dollar deficit, we are hearing the number is closer to seven.

And then there is the stimulus package that will provide some one-time bridging dollars in an attempt to maintain employment in a yet to be imagined future.

As times change, the way we function and are designed as an organization needs to change as well, both in response to – and in preparation for -- the future.

This University has undergone a planned series of transformations in the past several years, such as combining three schools into the new College of Food, Agricultural and Natural Resources Science, merging General College into the new College of Education and Human Development, and consolidating seemingly diverse programs in design into a new College of Design.

By now, you have all heard of the restructuring of the Graduate School, and three weeks ago, President Bruininks announced he was consolidating the positions of the Senior Vice President of Health Sciences with that of the Dean of the Medical School. This is an administrative model that has been examined several times during my tenure in University administration.

However, the announcement itself raised more questions than it answered because, honestly, many of the questions have yet to be answered. We are just now beginning the transition process which involves a number of meetings with many of you to understand your priorities for moving toward a successful future.

By mid-March, we will have completed gathering information about current structures, operations, and staffing of the AHC and Medical School.

From April to early May, we expect to make some decisions about the structure of an integrated office, with implementation beginning in June. That way we will be ready for the transition deadline of July 1st.

I can share with you some of the rationale for this consolidation-.

The intent of the consolidation is to better position the University's Medical School and Academic Health Center for continued growth and excellence, to move the Medical School into the top 20, and to help the

University achieve its goal of reaching the top tier of public research universities.



Here are some of the major challenges we face that this restructuring is intended to address:

1. To meet our mission and compete more effectively in the changing health marketplace, we must achieve greater alignment of the clinical enterprise of all our health professional schools with University of Minnesota Physicians and Fairview Health Services

University of Minnesota Amplatz Children's Hospital



A side note here – if you haven't been on Riverside Avenue lately, you should drive by the new Amplatz Children's Hospital taking shape – scheduled to open in early 2011. And the Ambulatory Care Clinic work continues so that we're ready to put shovels in the ground when the capital markets loosen up.

Challenges to Address

1. Achieve greater alignment of clinical enterprise
2. Complete the promise of research corridors

Back to challenges we face -

2. To support the future of science and discovery, we must realize the promise of Research Corridors in the Biomedical Discovery District through the construction and populating of the new facilities with interdisciplinary programs in cancer, heart disease, imaging, neuroscience, and infectious disease.

Medical BioSciences Building



A side note here – the Medical Biosciences Building is on schedule to open in November - and is on budget. We're designing the expansion of the Center for Magnetic Resonance Research and will begin construction this summer. And faculty groups are engaged in planning the cancer and cardiovascular research space, as well as shared facilities for research support.

Challenges to Address

1. Achieve greater alignment of clinical enterprise
2. Complete the promise of research corridors
3. Coordinate a new economic model

Again, to challenges -

3. With traditional funding sources stressed, we must coordinate the development of a new economic model that supports all of the health sciences schools, as well as the Medical School and provides a framework for continued growth and mission fulfillment. I plan to convene some of the best minds we can find to help us with this work. We need a model that is less subject to the boom and bust cycles of the state funding over the last fifty years.

Challenges to Address

1. Achieve greater alignment of clinical enterprise
2. Complete the promise of research corridors
3. Coordinate a new economic model
4. Transition to a learning environment

4. We must complete the transition from a teaching to a learning environment across the continuum of education from student to graduate to life long learning. Programs that are happening in our School of Nursing and in Public Health, the new simulation approach in Dentistry, as well as the innovation in Med 2010 are essential for our future. We also need new models for graduate health professional education, especially graduate medical education.

Challenges to Address

5. Leveraging Strengths

- Develop and test new care delivery models
- Fulfill our health stewardship mission
- Build community partnerships
- Improve the development of health knowledge
- Leverage University programs

5. We must continue to leverage the strengths of all our health sciences schools to:

- Develop and test new care delivery models in the health marketplace.
- To fulfill our health stewardship mission by meeting the health workforce needs of Minnesota.
- To build community partnerships across the state for health improvement as well as economic development impact.
- To improve the development of health knowledge and its dissemination into communities in an accelerated timeline, and
- To leverage other University programs in our communities where partnerships will add value.

Challenges to Address

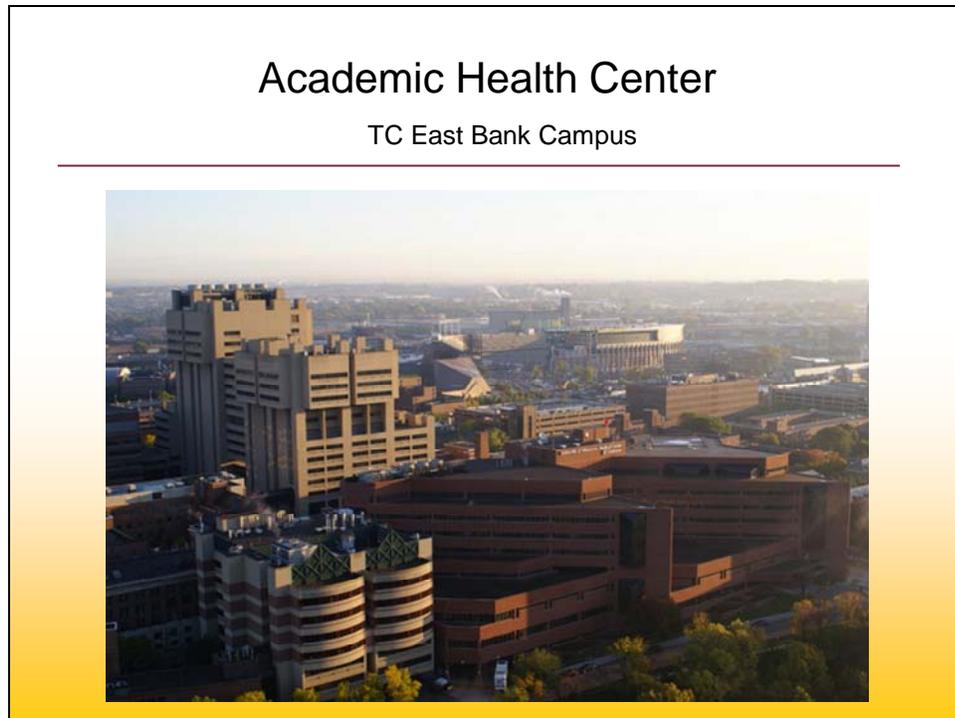
6. Improve operations

- Improve efficiencies
- Improve service
- Streamline administrative infrastructure
- Achieve cost reductions

6. Finally this transition and consolidation is intended to improve operational efficiencies, improve service, and streamline administrative infrastructure – with the intent of achieving cost reductions wherever possible both within the Academic Health Center, the Medical School – and between the AHC and the University.

We are consolidating into our strengths – whether it's service to our education, research, or our clinical outreach missions, we must have strong, efficient infrastructure in place. We'll ask the questions – how many e-learning support groups do we really need? How do we integrate the services supporting clinical trials while ensuring the PI's are able to achieve what each needs to in an efficient and effective way? How do we

effectively partner with communities in new ways to meet their needs as well as ours?



When this transition is complete, and when the University has absorbed the full impact of state budget cuts – we will be smaller, while investing and growing in focused areas. We will be more efficient and more effective; and we must be better at supporting the needs of the faculty in fulfilling their work. The success of our mission depends on it.

To ensure we stay focused on our goals, we will update the AHC strategic plan that has served us well since the year 2000. This summer, we will re-look at that plan, and update it to ensure it addresses today's challenges and opportunities. This is the process that will help us shape our future. I believe strongly in the concept that we each create our own future – and that we need to put in the time and effort to shape and create that future.

I've just run through a series of lofty goals – they are important and worthwhile goals, but right about now, you're probably thinking - what does all of this mean to me?

Let me answer for all of you some of the questions I've heard from some of you individually.

To my friends and colleagues in Dentistry, in Pharmacy, in Nursing, in Veterinary Medicine, and in Public Health – the answer is -- yes – yes, I remain committed to the strength of each of your disciplines and schools. I believe the perspective of your professions and your disciplines should each be respected for the unique lens they provide to health.

Each of you adds to the strength of this University's Academic Health Center. And I'm convinced that all of our disciplines are enhanced by exposure to and partnering with the others, all to the improvement of health

whether it be in meeting health workforce needs or solving health problems.

In answer to my colleagues and friends in the Medical School – Yes – I am deeply committed to your success. My commitment to the entire spectrum of our health disciplines does not diminish my respect and support for the complex enterprise that is the University’s Medical School.

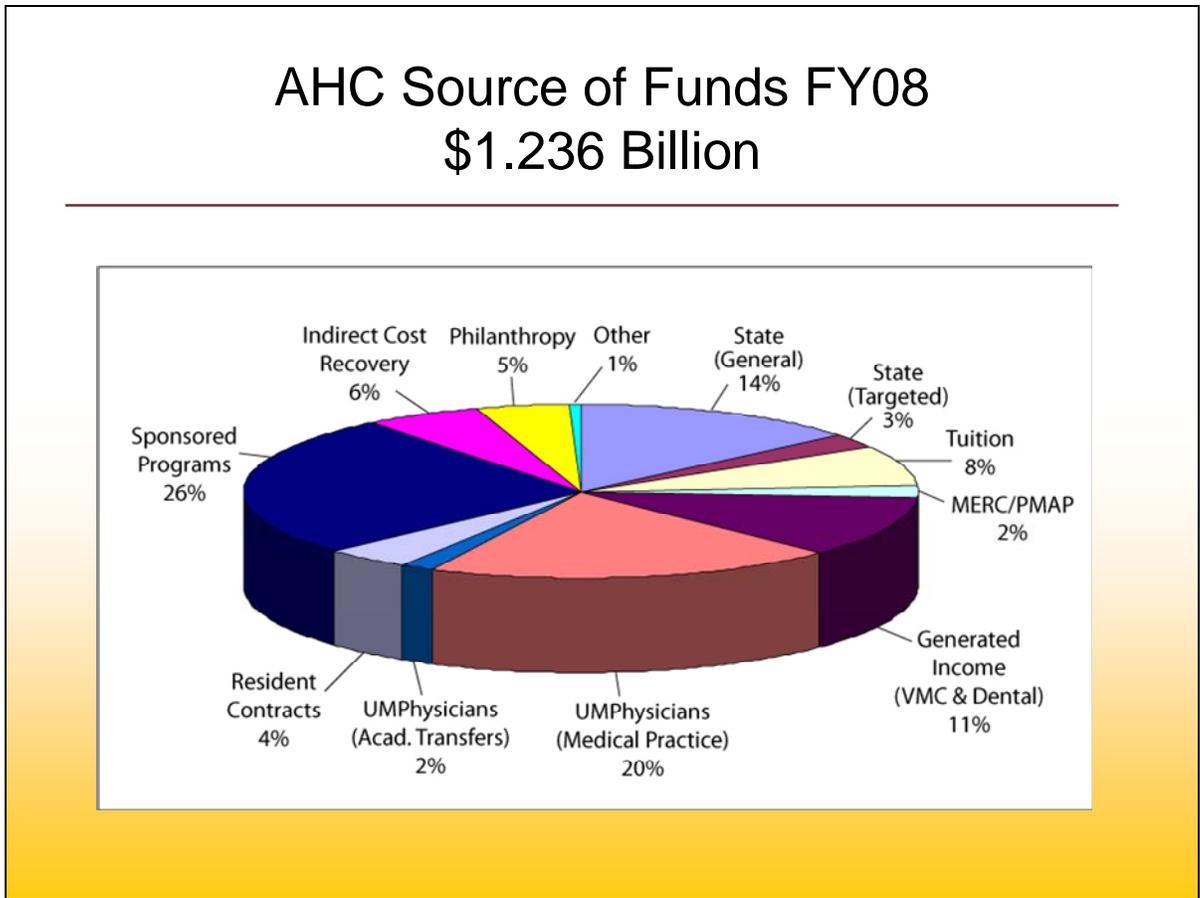
Our basic science departments are truly world class and are the foundation for our recognized scientific and research strength.

Our Clinical Chiefs are emerging as leaders in our partnership work with Fairview, establishing a forward vision that will lead the nation as an innovative model of how to sustain and grow a health care practice.

The point is this - We all – together – own this transition, and the future is ours to create. . This is ours to manage. I’ve always believed that the best way to predict the future is to create it – and this is OUR future, not mine, that WE need to create

I firmly believe our Academic Health Center is ready for this transition. The risk of all this change is that the unknowns of this transition cause our community to move into a tangled vortex of cynicism and inaction. I simply don’t believe that will happen.

We are a community of doers. We are driven to discover, and we are driven to deliver better health based on those discoveries. By its very nature, we live with ambiguity and the question “why”. This will serve us well as we move forward.



A few words about our revenue sources, which do look a bit different than the rest of the University. Many people assume that – because we’re a public state University, most of our funding comes from the state, but take a look at the sources of funding for the health sciences.

Nearly one third of our 1.2 billion dollar enterprise comes from the revenue we earn taking care of patients – both the human and the four legged kind. This is critical for our operations – and an area of challenge I mentioned earlier.

Another third comes from the highly competitive sponsored research that faculty goes after – and is successful gaining. Today's awards increasingly require interdisciplinary and inter-institutional approaches, something you all have made very successful. Indeed, this is the most rapidly growing portion of the University's research portfolio. And, I am seeing more efforts with non-AHC schools on the Twin Cities campus, a key success factor – and, again, a challenge to address.

This yellow slice represents the funding from philanthropy and endowment funds. This is a critical growth factor as well, and we have been very successful in our efforts, working with foundations like MMF, in achieving gift-based funding like that from Minnesota Masonic Charities, the Schulze Foundation, and last week, from Caroline Amplatz.

It is your work that has established a firm and successful basis for this institutional investment, and demonstrates confidence in our work.

University and State Investment in Health Sciences

4 Year Program Investment Summary

Compact Investments	\$101.8 million
Mayo Partnership	\$ 52.0 million
Statewide Workforce	\$137.3 million
Total	\$ 291.1 million

The University and the state have also recognized the value of our work, and have made major investments in the health sciences and its interdisciplinary activities.

This slide shows the last four years of strategic compact investments made in faculty and program support for the health sciences – including the Mayo Partnership. In addition, state and federal funding of 137 million supports our statewide workforce strategy. That includes MERC, A-HEC, and primary care support – totaling overall \$291 million.

Summary of Investments in Buildings

Facilities Summary

Last 5 Years	\$234.5 M
Biomedical Discovery District	\$358.5 M
Clinical	\$380.9 M
Total	\$973.9 M

And then, there are the investments in the buildings that support health sciences. Over the past six years, we've invested 235 million in buildings – including the MCB, the McGuire Translational Research Facility, and the 717 Delaware Building. If we add the Medical Biosciences Building, and the remainder of the Biomedical Discovery District, as well as the investment in the Amplatz Children's Hospital and the Ambulatory Care Clinic – the total invested in buildings is close to 1 billion dollars. - These are the key investments for success – faculty, program, and facilities- and they demonstrate confidence in the value of our work.

I'd like to share with you some visual highlights from the year past to remind you all of our impact.

Year in Review

To view the video, click here

<http://mediamill.cla.umn.edu/mediamill/embed/27483>

I remain an optimistic sort of person -- and I believe we will continue to make a difference through the students we teach, the discoveries we make, the populations we serve, and the patients we care for. Even in this environment – or perhaps, especially in this environment – we have an opportunity – no, an obligation -- to the future to pick our heads up, look squarely in the face of tomorrow, and recognize that what we do here matters. It makes a positive difference for the health and quality of life of families and communities in this state, this nation, and for the world.

Thank you – and I'll invite Brian Isetts to come up to start our town hall forum.