

**Overview of Board of Regents
Work Group on the
Academic Health Center**

Discussion with the President
December 21, 2007

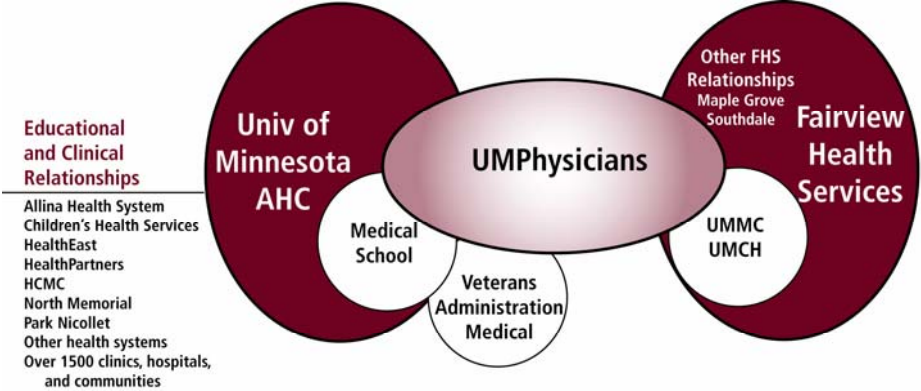
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Overview of Structure and Operations of AHC External Partnerships

- The external education, research and clinical partnerships are necessary to meet the mission
- The triangle of agreements among the University, UMPHysicians, and Fairview
- The operating interface among the University, UMPHysicians, and Fairview

AHC Partnerships



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AHC Application of U Strategic Positioning

U Vision: *Improve the human condition through the advancement of knowledge*

U Mission: *Extraordinary education, breakthrough research, dynamic public engagement*

U Goal: *To be recognized as one of the top three public research Universities in the world within ten years.*

AHC Strategic Imperatives

- To educate health professionals who meet Minnesota's workforce needs
- To discover new knowledge
- To improve the health of Minnesota
- To reposition the Medical School into the top 20
- To support the biomedical sciences economy of the State of Minnesota
- To achieve a sustainable financial framework

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DURING STRATEGIC POSITIONING, OUR TASK FORCES FOCUSED ON
HEALTH PROFESSIONAL WORKFORCE
KNOWLEDGE MANAGEMENT TECHNOLOGY
RENEWED FACILITIES THROUGH THE AHC PRECINCT PLAN, AND
THE CLINICAL SCIENCES ENTERPRISE

THIS WORK AND THAT OF THE OTHER UNIVERSITY STRATEGIC
POSITIONING TASK FORCES HELPED US REFINE THE U'S PILLARS OF
EXCELLENCE IN THE AHC –

TO BECOME A TALENT MAGNET FOR FACULTY, STAFF AND STUDENTS
THAT IS DISTINGUISHED FOR EDUCATIONAL PROGRAMS AND IS A
DESTINATION OF CHOICE FOR CLINICAL SCIENCES.

AHC Application of Pillars of Excellence

*Exceptional students
Exceptional faculty and staff
Exceptional organization
Exceptional innovation*

The AHC will be a talent magnet for faculty, staff, and students that is distinguished for educational programs and as a destination of choice for clinical sciences

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2011 Strategic Goals for Research: *Talent Magnet*

- Established corridors of research, connecting discovery with prevention and treatment of disease
- Engaged environment of innovation and creativity without disciplinary boundaries
- Support for new business development
- \$200 million in new sponsored research revenue
- More than 500 clinical trials; leveraging community clinical trials
- University-Mayo Partnership is meeting its outcome goals for the development of biomedical sciences in Minnesota
- Successful partnering with the community in life science park developments

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In 5 years – this University will be part of the research teams that are on the cusp of a cure for Type 1 diabetes through stem cell research; We have pioneered the imaging techniques that have brought a drug for the treatment of early on-set Alzheimer's disease to market, we rank among a handful of destination centers for innovative outreach to stop the advancement of our country's obesity epidemic. We are shaping our area of competitive difference and shaping the new biomedical science economy of the state.

We've done this because we have become a magnet for top talent. And, we've established:

Well-developed **corridors of interdisciplinary research** within the AHC and across the University that connect discovery with application to care delivery and improvement of health in focused areas of excellence. **As examples:**

1. **Neuroscience: cognitive sciences in CLA are connected with translational science in Alzheimers and the clinical scholars are applying new therapies in the clinic.**
2. **Regenerative Medicine: Stem cells can be coached to become heart cells and are in clinical trials for the treatment of heart attacks.**
3. **Transplantation: The immunologists and cell biologists and working with the geneticists to create processes that enable organs to be transplanted with better and longer function and much fewer complications.**
4. **Nanobiology: The engineers have developed a nano-delivery system for a cancer bomb that precisely delivers the bomb to the cancer cells and destroys them.**
5. **Therapeutics: a. basic biology of solid tumors like prostate, lung, breast, and colon, are used to design and synthesize drugs that are targeted and specific that are then manufactured in the GMP facility and put into clinical trials for testing.**
b. Biomedical engineering and medicine are working in the Center for Device Development to bring new delivery systems new therapies, and new ways of managing the affects of paralysis.

Imagine this example – touching all areas of our university:

A basic scientist in the Cancer Center discovers a receptor on a cell that stops the growth of a cancer; a medicinal chemist then discovers a compound that can activate that receptor and designs and makes the drug; the clinical trials unit proves the drug's efficacy; the technology is licensed into a new company to produce and market the drug.

2011 Strategic Goals for Education: *Mark of Distinction*

- Future health professionals thrive in a patient centered environment of continuous learning and improvement
- New information technology supporting education is fully implemented
- Clinical sciences scholars are world-renowned
- Interdisciplinary models of education and care delivery are recognized for excellence
- Community partnerships are fully engaged along the spectrum of health care needs
- E-health is real

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Through work of the strategic positioning task forces within the AHC we have a much clearer vision of the educational mark of distinction we can accomplish by 2011 -

Future health professionals will thrive in a patient centered environment of **continuous learning and improvement**.

We will be World-renowned **scholars in clinical sciences**

Recognized for **interdisciplinary models** of education and care delivery

Fully engaged in **community partnership** along the spectrum of health care needs

E-health is real – education platforms, online learning, immediate knowledge always accessible.

2011 Strategic Goals for Clinical Science: *Destination of Choice*

- Destination of choice for clinical scholars, whose work informs policy and practice in prevention and treatment of disease
- University of Minnesota Physicians demonstrates excellence in patient-centered care while appropriately using interprofessional teams across the spectrum of health needs
- Technology – right time, right place, and into the community
- Pioneering Fairview partnership competes effectively in support of academic mission
- Effective partnerships with health systems around workforce and Graduate Medical Education

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The University of Minnesota is a destination of choice for clinical scholars whose work will improve health care policy and practice.

They see University of Minnesota Physicians in 2011 as an integrated group practice that encompasses medicine, pharmacy, nursing, and dentistry. It incorporates wellness, disease prevention, and chronic care management into an efficient, electronically supported evidence- and best-practice-based system of care delivery.

The University is the destination of choice for patients seeking the leading edge, patient-centered care – offering break-through knowledge for preventing and curing diseases.

Technology – our e-health reality – works to benefit patient privacy, access to the most current medical practice and expertise, ensure the seamless participation in the clinical experience, and provide choice for the patient.

They see a relationship with Fairview Health Services in 2011 that supports the education and research mission of the Academic Health Center and competes effectively in the health marketplace.

Meeting the Imperatives: Strategic Needs

1. Alignment of
 - a. Strategic goals and plans of UMPhysicians, Fairview, and the AHC clinical enterprise
 - b. Discovery, innovation, and clinical practice/outreach
 - c. Capacity, productivity, and resources
 - d. Programs within a sustainable financial framework
2. Culture
 - a. Transition from a teaching to a learning environment
 - b. Transition to cooperative productivity among disciplines and professions in education, research, and clinical practice/outreach
 - c. Transition into an infrastructure of shared resources with efficient/effective services that are quantitatively managed for continuous improvement

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Meeting the Imperatives: Strategic Needs

3. Community Partnerships
 - a. Partnerships with health systems in such areas as workforce needs, transformative health care delivery models, and quality outcomes
 - b. Strategic partnerships with the biosciences community
 - c. Continued development of the University-Mayo Partnership
 - d. Enhanced effectiveness in the partnership with Fairview Health Services
 - e. Increased effectiveness of the AHEC platform around the State of Minnesota

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Meeting the Imperatives: Strategic Needs

4. Resources
 - a. Net increase of 350 faculty and associated staff
 - b. Increase of 370,000 sq.ft. of new research space and an expansion of Center for Magnetic Resonance Research, CMRR
 - c. Increase the average number of active clinical trials to 500
 - d. Infrastructure support for the increased research
 - e. Technology infrastructure to support research, the learning environment, and management decision making
 - f. Appropriate space to support the new learning environment
 - g. An all funds, partnership model for resource acquisition among the state, University, Fairview, UMPHysicians, philanthropy, and community

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Translating the Strategic Needs Into A Financial Model

- Financial structural challenges exists in the AHC, primarily in the Medical School
 - A plan is being developed and put in place to fix this financial structural deficit
- The investment needs key to the number of net faculty hires going forward.
 - An all-funds approach is taken in the financial model

Base Structural Problem - \$11M Recurring

Approach for correction:

Medical School* \$ 2M

University/State additional** \$ 4M

Fairview \$ 2M

* Through cost reductions and internal reallocations

** University added \$3M new recurring to Medical School in FY08

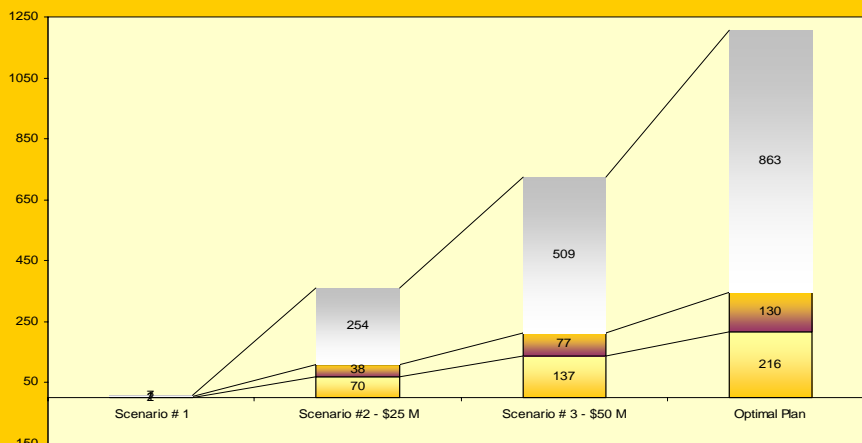
AHC Growth Model – All Schools

- Key Assumptions
 - Structural deficit issues previously resolved
 - Research buildings' initiative successful around bonding of capital facilities needed to support increased hires of Principal Investigators (PIs)
- Potential Incremental Funding Strategies
 - University internal reallocation of existing O&M
 - New state special for Medical School
 - Additional annual philanthropy dollars
 - New practice plan academic support

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AHC Wide Research Growth Model - Comparisons

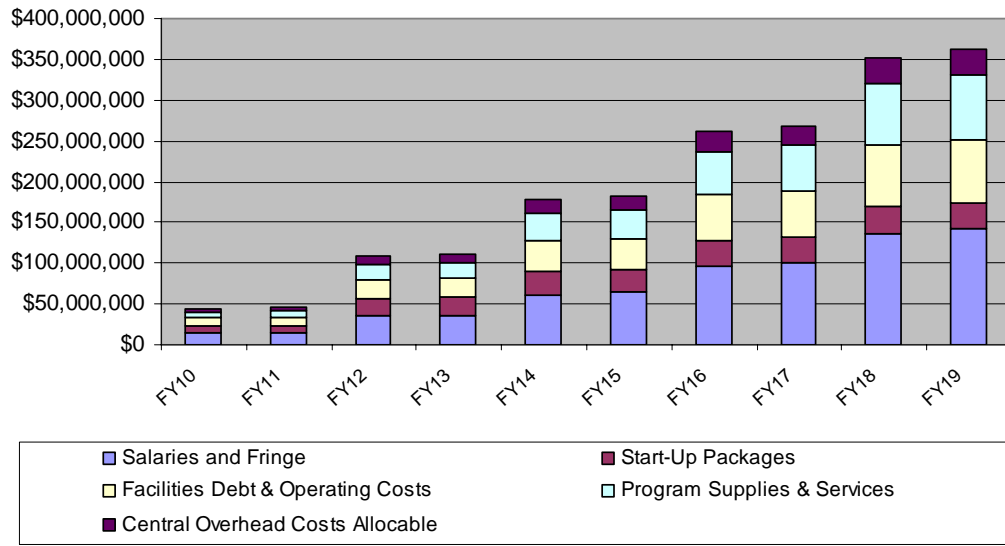
O&M Reallocation	\$ 0 M	\$ 7.0 M	\$ 14.0 M	Successful
Facilities Authority	Unsuccessful	Successful	Successful	
New State Special	\$ 0 M	\$ 12.5 M	\$ 25.0 M	See Attached
Practice Plan	\$ 1.25 M	\$ 1.5 M	\$ 3.0 M	
Philanthropy	\$ 2.0 M	\$ 4.0 M	\$ 8.0 M	



Research Intensive Faculty Hires
 Clinical Science Faculty Hires
 Incremental Support Staff

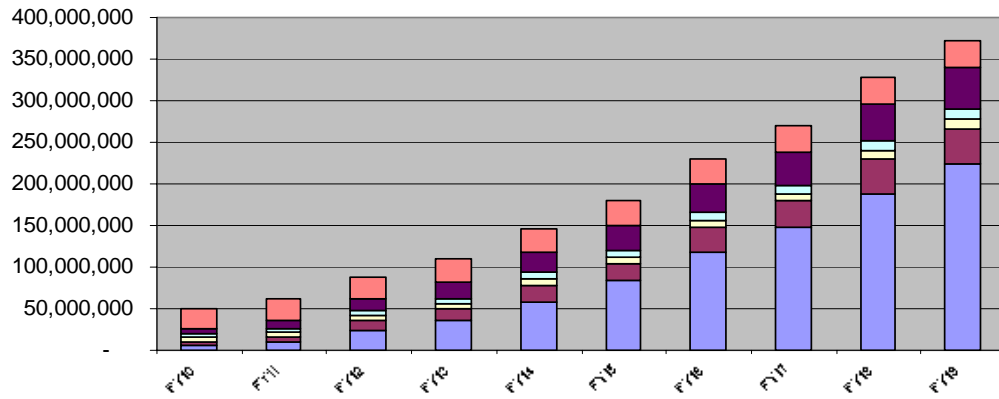
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AHC 10 Year Research Growth Plan - Expenditures (350 Faculty Hires Across AHC)



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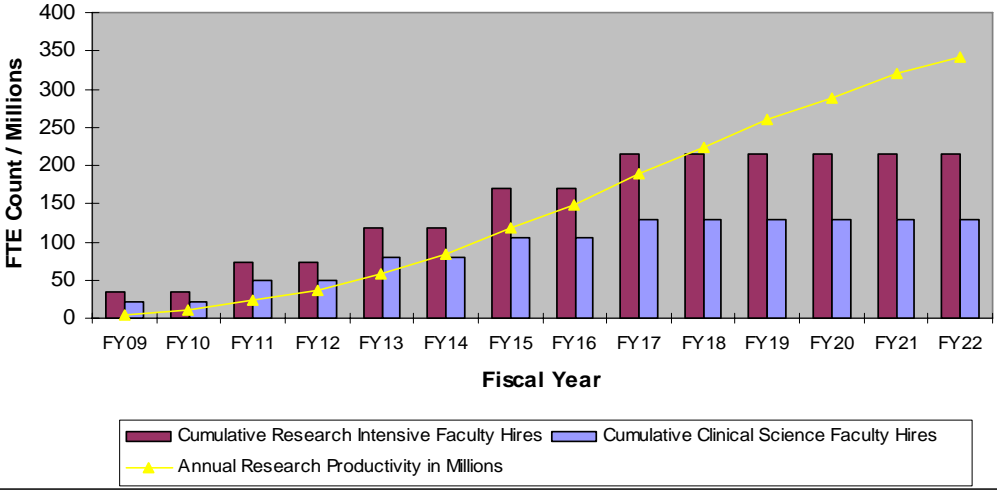
AHC 10 Year Research Growth Plan - Funding Proposals (350 Faculty Hires Across AHC)



- Research Cost Recovery (Direct and Indirect)
- MN Biomed Research Facilities Program
- \$5M Increment Philanthropy @ 10% / Year
- \$5M Incremental Clinical Contrib @ 10% / Year
- U Internal Realloc \$5M/Year at \$50M in 10 Years
- \$25M New State Funds - @ 3% / Year Inflation

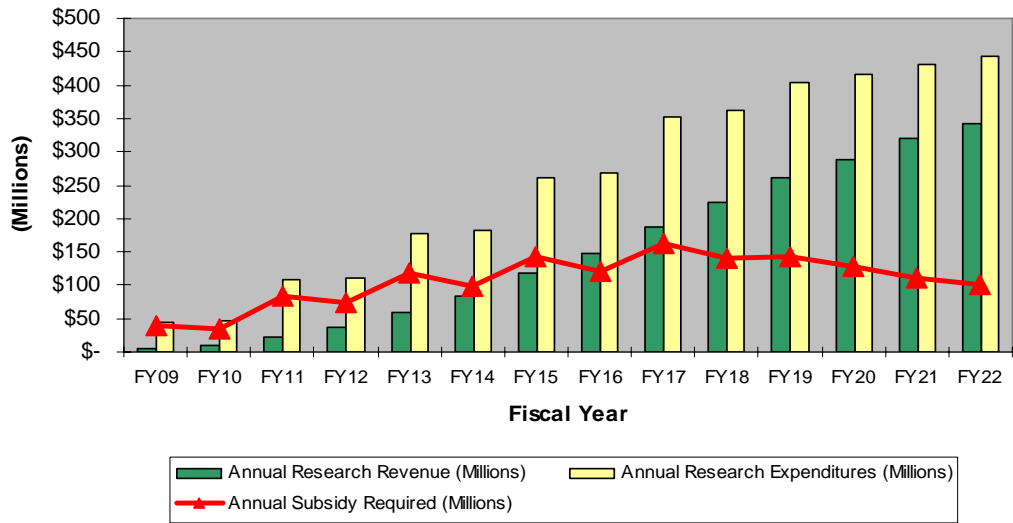
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**AHC Growth Model
Faculty Hires and Research Productivity Trend
(Desired Case)**



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AHC Growth Model (Desired Case)



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First Five Tasks For The AHC

- Achieving a commitment for the net increase in faculty hires per year
- Achieving success in the transformation into a learning environment
- Strategic alignment among Medical School, UMPHysicians, and Fairview
- Securing the plan for the research building program; CMRR funding
- Securing the plan for the Ambulatory Care Center and the new University of Minnesota Children's Hospital, Fairview

Governance Analysis: Processes in Place

1. Financial Transactions:
via the BOR Finance Committee
2. Facilities Transactions:
via the BOR Facilities Committee
3. Faculty, Staff and Student Affairs:
via the BOR Faculty, Staff and Student Affairs Committee
4. Academic Programs
via the Educational Policy and Planning Committee
5. Audits:
Oversight via the BOR Audit Committee
6. Gifts:
via BOR approved foundations and accepted by BOR at the BOR meetings
7. Nominations for Fairview System and UMMC Board members:
via the BOR Nominating Committee for Fairview

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Governance Analysis: Issues Specific to the AHC*

- Information from within the AHC
 - Strategic direction and plans
 - All funds financial model
 - Strategic goals and workplan for education and research
 - Sites and scientific areas of research that are high risk
- Information on major decisions made outside the University that affect the AHC
 - Fairview and UMPhysicians' strategic direction and plans
 - University of Minnesota Children's Hospital, Fairview
 - Health regulations and actions affecting the delivery of health care
 - UMPhysicians and Fairview have limited rights to the use of the University name and logo as defined in contracts with the University
 - Foundation fundraising for pediatrics program, including a new children's hospital
- Information from AHC partnerships that affect the AHC/University
 - AHEC sites
 - Ambulatory Care Clinic
 - Graduate Medical Education
 - Experiential education programs

* Issues that do not connect to existing BOR committee structure and process; and result from the complex relationships in the health marketplace critical to the success of the AHC mission

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Governance Analysis: Solution(s)

- What is needed: A consistent, recurring flow of materials, and presence that informs the BOR about:
 - High risk areas and decisions
 - Major decisions from partnerships outside the AHC/University
 - Major decisions that the BOR will need to make, and
 - Supports the normal transactional processes that are already addressed by existing BOR committees and processes
- The solution must have a major structural component, examples of which are:
 - The use of an existing BOR committee whose agenda is periodically that of the AHC
 - A new BOR committee
 - Either of the above supplemented with work sessions, information white papers and other communications tools as needed

Key Decisions for the Board of Regents for the Next Five Years

- Strategic goals and workplan:
 - As brought forth by administration
 - Balancing of priorities within the goals and workplan
- Resource allocation:
 - As the recommendations are brought forth by administration
 - Balancing of priorities within the goals and workplan
- Capital projects:
 - CMRR
 - New research buildings
 - Life Sciences Park
 - Ambulatory Care Clinic
 - Education Center
- Major Agreements:
 - Revised and updated agreement with Fairview Health Services
 - New agreement(s) with the health systems regarding workforce production and Graduate Medical Education

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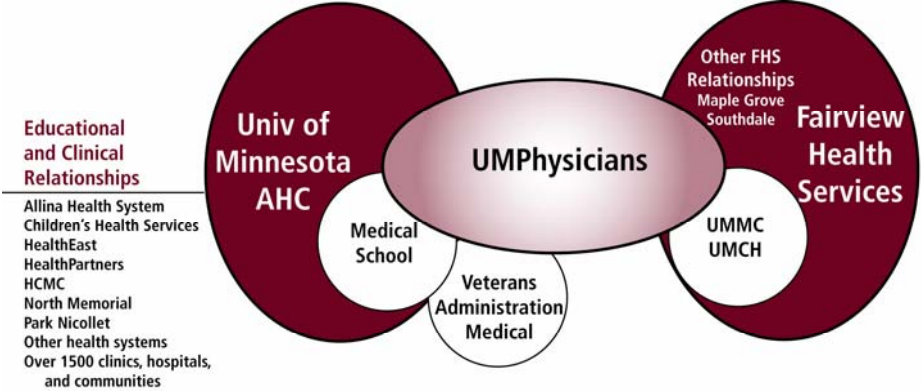
The Primary Care Opportunity: 2008 Legislative Session

- The Legislature is likely to make expansion of primary care workforce a major agenda item
- We are prepared with:
 - A report on AHC workforce production
 - A report on Primary Care needs and our approach to those needs
- The Legislature has asked for the cost of increasing class size by 40 medical students with incentives for careers in primary care

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