

Success for the Medical School in the Economic “New Normal”

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What is the “New Normal”?

Intense public interest in:

- Transparency
- Input on decisions
- Fairness and equity
- Concerns about “elitism”

New environment

- Access to public information
- Provide public forums
- Demonstrate fairness
- Open, clear, candid and straight forward communication

Impact of “New Normal” on the Medical School

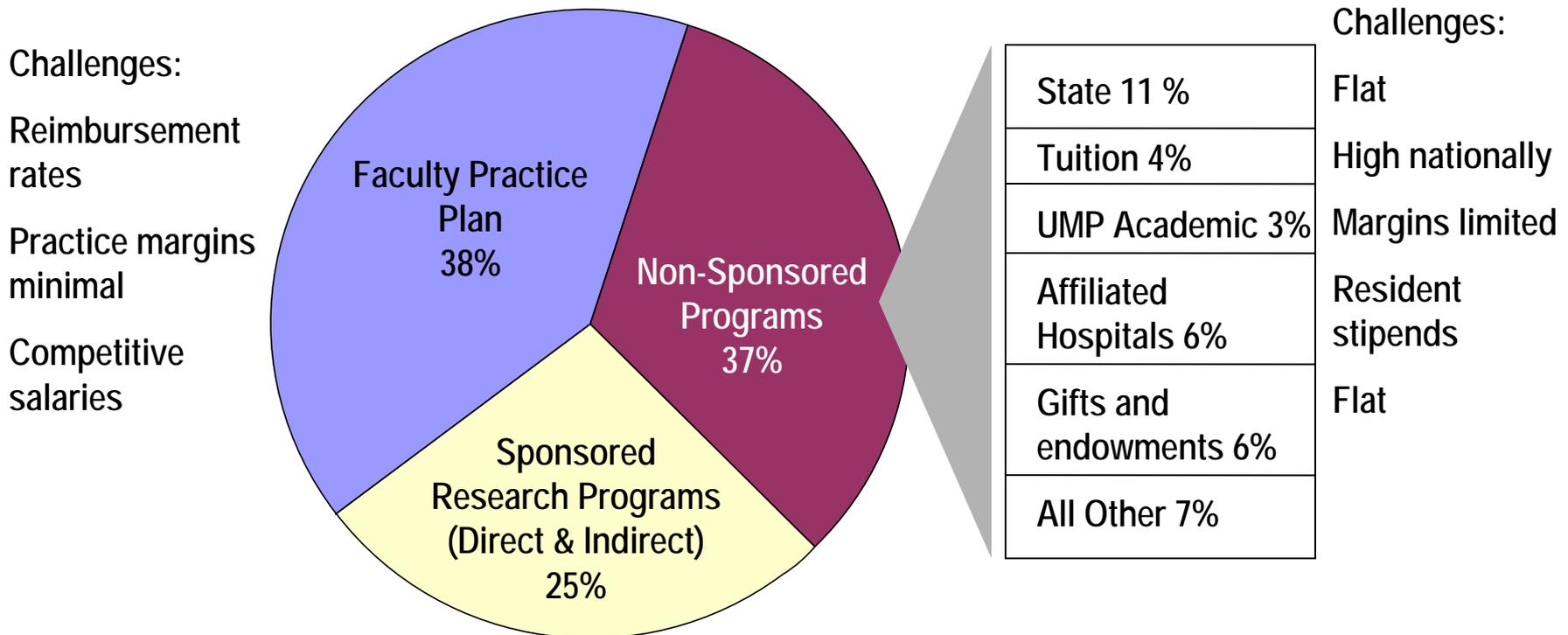
- Budget challenges
- Improving operational efficiency
- Statewide clinical relationships
- Value of research corridors
- Need for creativity and innovation

Financial Challenges

\$140M less state support to the U

- Why does education cost so much?
- Is compensation in line with the marketplace?
- Do we need a different way to assess operating increases and priorities?
- Are we managing the cost of new buildings as tightly as we could?
- Have we truly accounted for the cost of conducting research?

FY09 Funding of the Medical School = \$825 M (includes UMPPhysicians)



Challenge: Federal funding declining

State Cuts/Unallotments for Medical School FY03-FY10

- Total Reductions (**\$13.3 M**)
 - Cumulative recurring base reduction (\$11.7M) (\$6.9M in FY10)
 - One-time un-allotment (\$1.55M) in FY03
- Likely permanent un-allotment in FY11
- Likely reductions for FY12 and FY13 estimated at 7% (FY12) plus additional 4% (FY13) – based on O&M and tuition

Compact / Program Investments in Medical School FY03-FY10

- Cumulative general and special compensation support \$6.9M (toward \$22.6M additional cost)
- Other Medical School specific cumulative recurring program and compact initiatives \$10.8M (including funds to service debt and new building operating costs)

\$18M+ Recurring Investments that Benefit Medical School

- Institute for Translational Neuroscience
- RAR Subsidy
- Center for Translational Medicine
- Clinical Translational Science Institute
- Translational Research Grants
- Experimental Therapeutics
- Mayo Partnership
- Primary Care Workforce Initiatives

University Capital Priorities that Benefit Medical School

- MCB - \$88.5M (\$29.5 University)
- McGuire TRF - \$37M (\$12.2 University)
- 717 Delaware - \$28M (\$28 M University)
- MBB - \$84M (\$28M University)
- CMRR Expansion - \$53.8M (\$13.5 University)
- Remainder of Biomedical Discovery District - \$239M (\$59.7 University)
- Various Laboratory Renovations - \$5M +

Comparisons to Public Medical Schools (AAMC 2008, 76 schools)

Item	Percentile Ranking
1.Total Revenue	Top 25%
2.Practice Plan Revenue	Top 25%
3.Hospital Support	Top 15%
4.Sponsored Projects	Top 10%
5.NIH Awards	29 th of All Schools(146)
6.State Support	Top 10%
7.Tuition and Fees	Top 5%



Ensure that patients receive the highest value health care

Recognize that clinical excellence is integral to academic prominence

Measure and reward the highest standards of professionalism in the clinical learning environment

Develop willing partnerships to move discoveries to both market and bedside more efficiently

Engage the community in the exchange of knowledge and information

Develop new media approaches to engage the community and specific audiences

Develop a new economic model for the Medical School to eliminate the current structural deficit and sustain future growth and development

Assure that management structures and processes are efficient and effective

Assure clarity around the management prerogatives and responsibilities of interdisciplinary programs and the management oversight above them



Set priority areas within the broader frame of the AHC Research Corridors

Establish high profile groups of faculty in each priority area

Support the faculty in their research

Achieve excellence in competency based education

Cultivate an environment characterized by professionalism, collegiality, and active learning

Development a sustainable approach to securing and allocating resources responsive to stakeholder needs and a changing environment

EAST GATEWAY DISTRICT CONCEPTUAL PLAN



By 2014, it will be -

- ❖ Nearly 400,000 square feet of new research space; added to the current footprint that includes Lions, MTRF, CMRR, and MBB -- total of over 650,000 sq. ft. of translational research space
- ❖ 60 new PIs and at least 240 new research support staff
- ❖ Focused research strengths: imaging, cancer, heart disease, neurosciences, and infectious diseases
- ❖ Attracting \$100 million in new annual research funding and creating 4800 new direct and indirect jobs.

Contributes to larger bioscience strengths of the state

The e-Learning Office will. . .

- Engage faculty, staff and learners in *effective technology-enhanced learning (TEL)*
- Support the ongoing use of *technology tools in educational* programs
- Leverage *existing resources* within the AHC and the University, and locate other technologies and services, as needed
- Market and license degree and training programs for *greater exposure and access* in a complex global learning environment

2009-2012 at the Medical School

- Curriculum revision on both campuses to...
 - **Enhance integration** among disciplines and learning of scientific foundations in a clinical context
 - **Ensure school-wide competencies** while maintaining TC/ Duluth differences based on unique campus missions
 - **Provide a designated faculty advisor** for every student throughout medical school
- Accreditation preparation to meet new and revised LCME standards
 - Curriculum “mapping” software (2009-2010), self study and data collection (2010-2011), site visit (2011-2012)

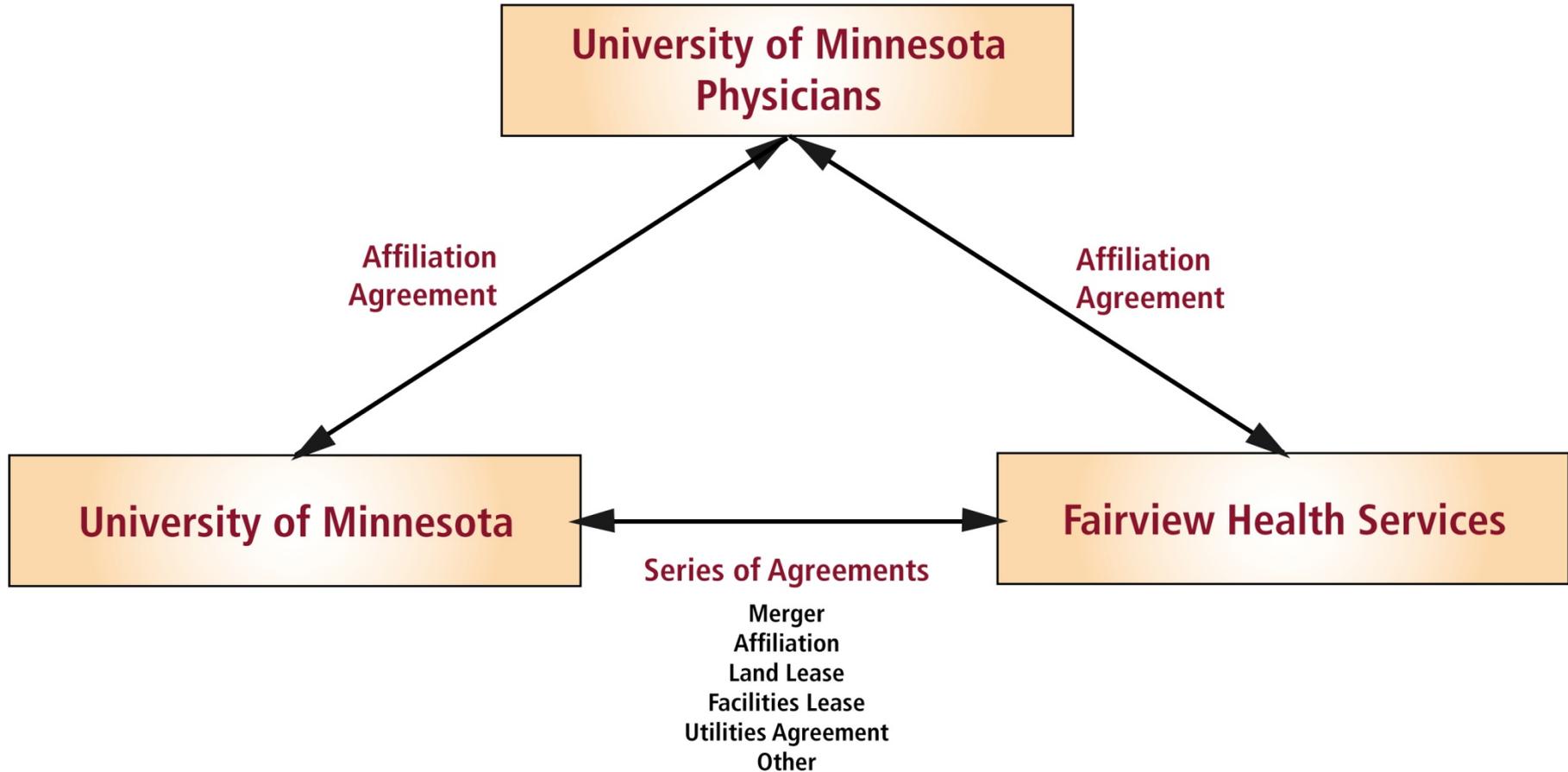
Change is Coming to Healthcare

The Mission of the Medical School is Dependent on the Clinical Enterprise

- **All health systems are being asked to deliver greater *value*.**
 - Improved clinical outcomes
 - Lower cost
 - Improved experience
- **Our role will be to care for the health of a population, not just individual patients.**
- **Payment systems and methodologies are changing, rewarding those who deliver value.**
- **Expectation of greater operating efficiency and effectiveness**

The Triangle of Agreements

Among the University, UMP and Fairview Health Services



To Position Ourselves for Success, We Must...

- Consistently *deliver great value* – improved clinical outcomes and experience at lower costs
- Supply *integrated business intelligence* to all aspects of care delivery and management
- Establish core *capabilities to effectively manage quality, utilization, and financial risk.*
- *Eliminate unnecessary variation* on core clinical and administrative processes
- Expand *patient acquisition/retention* strategies.
- *Reduce total per patient and per capita costs.*
- Support research and educational activities to ensure a reliable *pipeline to innovation and quality talent*
- Fund and organize for *care model innovation.*

This Positioning Requires A Transformative Integration: Our Roadmap

**What We
Are Today**

**What We Need To
Be Tomorrow**

**What We
Could Be**

Pretty Good

Really Good

Great

Alliance/
Interdependent



Clinical
Integration



Transformation

U of M /
UMP / Fairview



U of M / Integrated
Clinical Enterprise



Integrated Academic
Health System

Goal: Accelerate the transition from Pretty Good to Great

UNIVERSITY OF MINNESOTA

Medical School

Potential Value Added in a More Integrated Enterprise

1. Strengthened commitment of the new enterprise to the academic mission
2. Enhanced ability to improve health across the continuum of care
3. Increased access to patients
4. Better outcomes, improved service and reduced per capita cost of care
5. Simpler structure that is more efficient and effective
6. A new entity that supports sustainable growth
7. Enhanced capacity for and commitment to clinical research
8. Increased capacity and revenue to support education and research missions
9. Enhanced planning coordination for the clinical and academic enterprise
10. Coordinated effort in meeting legal/regulatory requirements
11. Enhanced ability to recruit and retain faculty and compensate them at a competitive market rate

Discussion

